DOMINION OF CANADA



HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—TWENTY-SECOND PARLIAMENT

2-3 ELIZABETH II

BEING THE 96TH SESSION FOR THE PERIOD 1867-1954

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COMPRISING THE PERIOD FROM THE TWELFTH DAY OF JANUARY, 1954,
TO THE SEVENTEENTH DAY OF FEBRUARY, 1954, INCLUSIVE

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EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1954

HOUSE OF COMMONS

Tuesday, January 12, 1954

The house met at 2.30 p.m.

PUBLIC ACCOUNTS

PUBLIC ACCOUNTS AND AUDITOR GENERAL'S REPORT

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): On behalf of the Minister of Finance I wish to table the public accounts and the report of the auditor general for the fiscal year ended March 31, 1953.

[*Later:*]

INQUIRY AS TO AVAILABILITY

On the orders of the day:

Mr. Macdonnell: May I ask the parliamentary assistant to the Minister of Finance whether or not the public accounts will be immediately available for distribution?

Mr. Benidickson: I understand they will be distributed today.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 85, for the relief of Marie Jeannine Bisson Lecuyer.—Mr. Weir.

Bill No. 86, for the relief of George Joseph John Louis Gustav Brisebois.—Mr. Weir.

Bill No. 87, for the relief of Ivy Isabel Brown Wilkinson.—Mr. Weir.

Bill No. 88, for the relief of Eileen Sybil Fels Goldstein.—Mr. Weir.

Bill No. 89, for the relief of Liliane Bernier L'Heureux.—Mr. Croll.

Bill No. 90, for the relief of Andrew Warden Clark.—Mr. Croll.

Bill No. 91, for the relief of Frances Herscovitz Hershon.—Mr. Croll.

Bill No. 92, for the relief of Mary Frances Beatrice Lord Tomkinson.—Mr. Croll.

Bill No. 93, for the relief of Roslyn Belkin Cohen.—Mr. Croll.

Bill No. 94, for the relief of Phyllis Mildred Brohart Stephens Mowat.—Mr. Croll.

Bill No. 95, for the relief of Anna Lillian Montague Maye.—Mr. Croll.

Bill No. 96, for the relief of Gerald Fry.—Mr. Weir.

Bill No. 97, for the relief of Gordon Amos Finlay.—Mr. Croll.

Bill No. 98, for the relief of Eleanor Mary Hastie Moon.—Mr. Croll.

Bill No. 99, for the relief of Jean de Tonancour Racette.—Mr. Croll.

Bill No. 100, for the relief of Pauline Frances Elizabeth Appleton Powell.—Mr. Croll.

Bill No. 103, for the relief of Joseph Anthony Albert Britt.—Mr. Croll.

Bill No. 104, for the relief of Violette (Labeebe) Zakaib Kenemy.—Mr. Croll.

Bill No. 105, for the relief of Elizabeth Josephine Grant Drummond.—Mr. Croll.

Bill No. 106, for the relief of Joseph Georges Roger Dufort.—Mr. Croll.

Bill No. 107, for the relief of Max Wulfovitch.—Mr. Croll.

Bill No. 108, for the relief of Jessie Moffat Luce.—Mr. Weir.

Bill No. 109, for the relief of Julia McKenzie Clarke Smith.—Mr. Croll.

Bill No. 110, for the relief of Phyllis Matthews Cloutier.—Mr. Croll.

Bill No. 111, for the relief of Rose White Bishop.—Mr. Croll.

Bill No. 112, for the relief of Victor Della Porta, otherwise known as Jack William Taylor.—Mr. Croll.

Bill No. 113, for the relief of Edith Hersh Beck.—Mr. Croll.

Bill No. 114, for the relief of Dorothy Amelia Hockley Burne.—Mr. Croll.

Bill No. 115, for the relief of Dora Garoff Bernstein.—Mr. Croll.

Bill No. 116, for the relief of Phyllis Weiss Cohen.—Mr. Croll.

Bill No. 117, for the relief of Rose Lillian Budd Cooke.—Mr. Croll.

Bill No. 118, for the relief of Jeanne Delattre Toubeix.—Mr. Croll.

NATURAL GAS

PROPOSED PIPE LINE FROM ALBERTA TO EASTERN CANADA

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I should like to ask a question of the Minister of Trade and Commerce. Is it his intention to make a statement to the house with regard to the very important announcements which have appeared in connection with the proposed natural gas pipe line from western Canada to eastern Canada?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I think I can make a brief statement at this time. As hon. members

know, it has been anticipated for some time that Alberta would have a surplus of natural gas which could be made available to the eastern part of Canada. Three or four weeks ago Mr. Manning, accompanied by two members of his conservation board, called on the Prime Minister to say that the board had found that there is in fact an exportable surplus at present of three and a half trillion cubic feet of gas. It is anticipated by Mr. Manning that the surplus will grow at the rate of ·75 trillion cubic feet per annum for the next five or ten years.

Mr. Adamson: Trillion?

Mr. Howe (Port Arthur): Trillion. Mr. Manning stated he had received two applications for export of the gas from the province and that the board feels that at the present time neither application satisfies its requirements. Mr. Manning suggested to this government that if the two applications could be combined into a single project the government of Alberta would be prepared to grant an export licence to the single applicant.

This government offered its good offices to that end. I had several interviews with the two groups who have been competing for some time in an effort to place themselves in a position to obtain the licence when it is issued. The two groups had been spending a good deal of money in building up two separate situations. They had been competing for sources of supply of natural gas. They had been competing for customers and competing generally as to their relative positions in the pipe line field. I was able to convince them that the project of bringing gas from Alberta to eastern Canada is sufficiently large to justify their merging their effort. I pointed out that the purpose must be not to combine two separate projects, but to build one project in which both proposals would merge.

After several days of discussion, in which this government was acting as an honest broker, just pointing out the weaknesses in the separate situations and the advantages of merging, the merger was effected. Agreement was reached in every point, so that today we have one organization formed for the purpose of building a natural gas pipe line from Alberta to serve the principal markets in Ontario and Quebec. The public electricity organizations in both Ontario and Quebec are showing a considerable interest in the future of natural gas. Consideration is being given by the Ontario hydroelectric commission and by the Quebec hydro, as well as by the Shawinigan company, to acting as distributors for the gas in their territories, although at the moment nothing has been definitely decided on that feature of the project. I believe that outlines the position as we find it today.

Mr. Drew: I would ask the minister if this will require any new charter on behalf of the new company or any supplementary legislation to make it possible to carry this arrangement into effect.

Mr. Howe (Port Arthur): In speaking of the eastern provinces, I should have said that the pipe line would also serve Saskatchewan and Manitoba. I should not like them to feel left out. I am afraid I cannot answer the question asked by the Leader of the Opposition definitely. Certainly, there will have to be an amendment to one of the present charters. The company is adopting the name of Trans-Canada Pipe Lines, which is the name of one of the present charters. There will need to be amendments affecting the capitalization of the company, and it may in the end prove to be desirable to introduce a new bill of incorporation that will repeal the two existing franchises.

In either event, I sincerely hope hon. members will be disposed to give the necessary legislation priority in the house so that this great project need not be delayed. In the meantime, the merged companies are working under the franchise given Trans-Canada Pipe Lines Limited.

Mr. Drew: I can assure the minister that the reason for the question was that we might proceed as rapidly as possible to do anything that might be necessary to expedite this important venture. I would point out that we have already indicated our support of the general plan that is involved. Naturally, the sooner any information is before us that would be required for the purpose of subsequent action by parliament, the sooner we can proceed to deal with this question.

Mr. Howe (Port Arthur): I should like to add a word. I understand that the deadline for the introduction of private bills is next Monday. I expect that those interested will introduce legislation before that day. As to the nature of the legislation, I am not too sure.

Mr. Coldwell: May I ask a supplementary question? Has any consideration been given to making this project a publicly owned project, a joint project of the provinces concerned and the federal government?

Mr. Howe (Port Arthur): I presume that consideration has been given to it, but it seems to me that this is obviously a project

where private initiative is required to build the longest pipe line that has ever been built in the world, and to develop customers in areas that have used gas only to a limited extent. This is a job that requires an organization somewhat outside the organizing ability of government bodies.

Mr. McIvor: I should like to ask a supplementary question about the pipe line. Does this information mean that the greatest obstacle to the all-Canadian pipe line has now been overcome, namely, the people to put up the cash for the line?

Mr. Howe (Port Arthur): I would be optimistic if I thought that obstacle had been overcome, but I think the machinery now organized will be the most effective means for financing the building of the line.

Mr. Fleming: May I ask the minister if the government offered any inducement to the two companies in urging them to unite their forces in that project?

Mr. Howe (Port Arthur): The answer, Mr. Speaker, is no. No inducements were asked for and none were offered.

Mr. Applewhaite: May I ask a supplementary question of the Minister of Trade and Commerce, arising out of the answers he has already given? Can he inform the house whether the negotiations of settlement to which he has referred will have any effect upon the supply of natural gas for British Columbia, and has he any statement to make on the progress of that proposal?

Mr. Howe (Port Arthur): One project does not interfere with the other. The gas for British Columbia will originate in the Peace river territory of British Columbia and Alberta. All I can say about the status of the west coast proposal is that the necessary export permits have been given which will make it possible to build a gas pipe line to serve British Columbia. The application to export gas to the United States has been before the federal power commission of the United States for some 17 or 18 months, and I believe the sponsors of the pipe line are hoping for an early decision.

WHEAT

QUESTION AS TO FINAL PAYMENT FOR 1952-53 CROP

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. Can the minister say what the final payment for the 1952-53 wheat crop will be, and whether a final payment will be made at an early date?

Inquiries of the Ministry

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am unable to answer either of those questions, Mr. Speaker. I shall make inquiries, and will hope to be able to make a statement in the not too distant future.

DUMPING

INQUIRY AS TO REGULATIONS UNDER AMENDED ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of National Revenue? Can the minister say whether any regulations have been passed under Bill No. 29, which was passed just before Christmas, or any instructions issued under the terms of that bill? If so, could any such regulations or instructions be tabled in the house?

Hon. J. J. McCann (Minister of National Revenue): I did not receive notice of the question, but I shall take the inquiry as notice and give an answer as soon as possible.

COMMONWEALTH FINANCE CONFERENCE

REQUEST FOR STATEMENT—INVITATION TO OTTAWA

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Has the Prime Minister any report on the progress of the conference of finance ministers in Sydney? Secondly, is an invitation to be extended at Sydney to hold the next conference in Ottawa?

Right Hon. L. S. St. Laurent (Prime Minister): We have received no official report on the progress that is being made at the conference in Australia. I saw a report in the newspapers that the Minister of Finance, as had been understood before he left, had said that Canada would be glad to have the next meeting take place in Ottawa.

Hon. George A. Drew (Leader of the Opposition): Supplementary to that, and in view of certain reports that have come to us from Sydney, may I ask if the Canadian Minister of Finance is attending that conference without any restrictions and on the same basis as the others attending it, or if, in fact, he is only attending as an observer? I direct that supplementary question because of reports which have appeared in the press that he is there as an observer.

Mr. St. Laurent: He is attending the meeting of the finance ministers of the commonwealth in the capacity in which he was invited, as one of the finance ministers of

the commonwealth, to consider methods of further improving world trade. It may be that ministers representing sterling areas will have to discuss certain aspects of the problem with respect to which our Minister of Finance would be more an observer than a participant. But he is there with the same general objective as all the finance ministers—that is to say, to endeavour to promote a larger measure of world trade.

UNITED NATIONS

RECONVENING OF GENERAL ASSEMBLY

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether or not Canada is supporting the calling of the United Nations assembly, in reply to a circular issued by Madame Pandit, the president of the assembly.

Hon. L. B. Pearson (Secretary of State for External Affairs): I received only this morning the suggestion from the Indian government that the assembly reconvene on February 9. We are giving consideration to the matter at once.

NATIONAL DEFENCE

BUILDING OF DEFENCE ROAD IN MANITOBA

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I should like to ask a question of the Minister of National Defence. Has he, or any other minister of the government, any statement to make with regard to a report that a defence road is to be built from a point in southern Manitoba to Churchill, Manitoba?

Hon. Brooke Claxton (Minister of National Defence): I have not seen the report but, had I done so, I would say there is nothing in it.

CRIMINAL CODE

JOINT COMMITTEE TO REPORT ON SPECIFIC MATTERS RELATED TO CRIMINAL LAW

The house resumed, from Tuesday, December 15, consideration at the motion of Mr. Garson:

That a joint committee of both houses of parliament be appointed to inquire into and report upon the questions whether the criminal law of Canada relating to (a) capital punishment, (b) corporal punishment or (c) lotteries should be amended in any respect and, if so, in what manner and to what extent:

That 17 members of the House of Commons, to be designated by the house at a later date, be members of the joint committee on the part of this house, and that standing order 65 of the House of Commons be suspended in relation thereto;

[Mr. St. Laurent.]

That the committee have power to appoint, from among its members, such subcommittees as may be deemed advisable or necessary; to call for persons, papers and records; to sit while the house is sitting and to report from time to time;

That the committee have power to print such papers and evidence from day to day as may be ordered by the committee for the use of the committee and of parliament, and that standing order 64 of the House of Commons be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

Mr. Speaker: Is the house ready for the question?

Mr. Fulton: Is the Minister of Justice not going to make an explanation of the motion?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, when this motion was moved on December 15 it was supported by me in a short speech, following which the debate was adjourned by another member of the house. This being so, I would be glad to close the debate, if no other member wishes to speak.

Mr. Fulton: I understand this is a motion the minister placed before us at the conclusion of the debate on second reading of a bill to amend the Criminal Code. The motion is to set up a special committee of both houses of parliament to consider certain matters. At that time there was no debate. That was on Tuesday, December 15, as I recall it. The motion which the minister placed before us appears in *Hansard* of that day at page 958, and the debate was adjourned. There was no debate actually on that day, because at the close of the minister's remarks I asked this:

Mr. Fulton: Will you move the adjournment of the debate?

And then the hon. member for Calgary North (Mr. Harkness) said: "There is no debate." And *Hansard* records that "On motion of Mr. Bennett the debate was adjourned." Actually there was no opportunity for debate. The minister did not speak. Therefore, if I may state my understanding of the rule, if the minister speaks now he does not close the debate because, apparently, he did not speak when introducing the motion. Therefore I wonder if it is not possible for him to say something at this stage in order to explain what the government has in mind in connection with setting up this committee. I should think he could speak without actually closing the debate. Then further debate might follow the minister's explanatory remarks.

Mr. Garson: Speaking first to the point of order raised by the hon. member for Kamloops, I would remind the hon. member that

the motion now before the house arose from a motion which had been made previously for the second reading of Bill No. 7, to consolidate the Criminal Code.

In my rather lengthy remarks in the debate on second reading of the bill respecting the Criminal Code, I dealt at some length with this question of setting up a joint parliamentary committee, and explained the nature of the arrangement between the parties out of which it was proposed that that step should be taken. Then, in carrying out the undertaking which had been given in my remarks on second reading of Bill No. 7, I seized the first opportunity, with the unanimous consent of the house, to move the motion which now appears before hon. members.

After I had done so, no further explanation from myself being required, the hon. member for Grey North (Mr. Bennett) moved the adjournment of the debate. That is the position in which, I submit, the matter now stands. I would be glad to listen to the comments of hon. members concerning this motion and in closing the debate to try to meet the points they raise. But if I were to speak further at the present time I think I could do very little more than repeat what I said in the debate on the second reading of Bill No. 7.

Mr. Fulton: Probably the discussion at this stage on the point of order could be disposed of if we are to take it that the minister does not intend to make any further remarks. If that is his position, then we cannot force him to speak. But I do point out to him that, as reported at page 958 of *Hansard*, the hon. member for Winnipeg North Centre (Mr. Knowles) said, when it was indicated that the minister was going to place a motion before the house:

> Perhaps the house would consent to the minister making his motion so we would have it before us. Then he might immediately move the adjournment of the debate.

To this the minister replied:

> I shall be glad to do that. I move: . . .

And then the minister proceeded to read his motion, following which the discussion to which I have already referred took place. I think I can say, without imputing any improper motives to anyone, that the matter was left in a state of some confusion. The hon. member for Grey North will, of course, speak for himself, as to what was in his mind, but I do believe there was some confusion, and that it was as a result of that confusion that it was generally agreed the hon. member should adjourn the debate. Certainly however it was our understanding that the motion was being moved simply to get the motion for committee on the record, so that hon. members could see it and that at a later date there would be a statement from the minister as to the government's position with respect to it.

However, if the minister says now that he has nothing further to say and that he does not intend to make any statement, that will dispose of it. I think it is quite clear however, under the rules of the house, that there is no reason why the minister should be precluded from speaking now. However, if he does not intend to, all right.

Mr. Garson: I apprehend two things in connection with this matter. I apprehend, first, that on the point of order I would be out of order if I proceeded to take part in the debate at the present time other than to close it. Perhaps I should ask Mr. Speaker to rule upon that point first.

However, I might say, secondly, that if I were to lay before the house my reasons in support of this motion for the setting up of a joint committee of the sort proposed, I could do little more than paraphrase what I said when I spoke at considerable length upon this very point when moving the second reading of Bill No. 7. I do not think any useful purpose would be served by such repetition. I believe the matter was clearly placed before the house at that time. If there are any members who think there are reasons why this motion should not pass, and who would wish to address the house in that regard, then in closing the debate I would be glad to reply to their arguments.

Mr. Speaker: Perhaps I might add a word on the point of order because, as I understand it, there is no doubt that if the minister were to speak now he would close the debate. The minister moved this motion, and then on motion of the hon. member for Grey North the debate was adjourned. If he spoke now he would be closing the debate, technically. As the minister explained a moment ago, when he moved the second reading of the bill to amend the Criminal Code, he explained this motion and the purpose of it. As he has just said, he has spoken upon it, and as soon as second reading was carried he tried to carry out the undertaking with regard to this second motion. Hon. members will see, if they turn to page 958 of *Hansard*, the minister said:

> Mr. Speaker, during the course of my remarks on second reading of the bill I stated that the government—

And so on. There he referred to his intention to make this motion. It was apparently expected at that moment that the motion would carry immediately, because of the explanation the minister had made on second reading of an act to amend the Criminal Code. But some members took exception to its

immediate adoption and the hon. member for Winnipeg North Centre (Mr. Knowles) suggested that the minister put his motion on *Hansard* anyway, and that was done. Following that, on the understanding that the minister had made all the remarks he had to make, the hon. member for Grey North (Mr. Bennett) was taken as having adjourned the debate. With the explanation that the minister, if he were now to make a statement, would repeat with respect to it what he has already said on the motion for second reading of an act to amend the Criminal Code, we ought to consider the matter cleared up.

Mr. E. D. Fulton (Kamloops): If the minister does not wish to make a statement, and if we are to proceed on that basis and on the basis that you have just outlined, sir, I want to point out to him, if we are to be taken as continuing a debate which commenced on the evening of December 15, that actually at that time, as Your Honour will recall, it was after ten o'clock, so that except by unanimous consent no further proceedings could be carried on in the house. However, at that time we did not wish to take that technical position and thereby prevent the minister from even laying before the house what his motion would contain.

The device suggested by the hon. member for Winnipeg North Centre, and to which Your Honour has already referred, was that the minister would move his motion so that it would be on the record, and then adjourn the debate. I think it should be said that we are now in the position, it is true, where the minister technically—and if he wishes to rely upon that technicality, of course he can do so—cannot speak without being taken as closing the debate. In order to avoid taking advantage on our part of a technicality—it was then after ten o'clock—we said, "All right, go ahead; put your motion so that it will be in *Hansard*, and then you can adjourn the debate and speak again"; and it is a little unfortunate that, having made that concession on the basis of that understanding, we are now to be placed in the position where the minister is not going to vouchsafe further information to the house on the government's intention with respect to this matter.

In making a motion of this sort to set up a special committee to consider a subject of this importance and of this complexity, it is usual that the government should indicate at some length the procedure which it suggests should be followed in that committee. It is true of course that a committee once constituted is master of its own proceedings within the limits of the rules of the house, and that the government frequently says: "We cannot tell the committee what to do; it is for the committee to decide." Nevertheless a suggestion from the government, and particularly an expression of intention on the part of the responsible minister as to how he thinks the matter should be dealt with and in what respects his department will be prepared to co-operate, what information, what statistical tables and matters of that nature the department intends to prepare or would be willing to prepare to lay before the committee, whether or not it is to be suggested that the committee be invited to hear representations, and if so from what sorts of bodies and how many, is of great help to the committee. It is always helpful if the minister indicates at the time he makes his motion and is speaking in support of that motion just how it is intended to proceed.

Therefore, it is unfortunate that a technicality is in effect being raised at this time to deprive us of the benefit of that information from the government as to how it proposes to proceed in this matter. We have not got it, however, and we cannot force the minister to speak. Therefore I will take this opportunity, Mr. Speaker, to lay before the house some considerations which I feel should be borne in mind by the committee now to be set up, if this motion passes.

I should like to say at once that in what I have to say on matters of detail with respect to the matters to be referred to the committee I do not wish to be taken as in any way attempting to make a statement of policy with respect to the attitude of the Conservative party or of the official opposition, because it must be realized that in matters of this kind, particularly where matters of such far-reaching importance for the whole welfare and conduct of the nation with respect to its criminal law are concerned, matters which are so controversial, matters in which differences of opinion with respect to the local and national consequences of a certain course of action have no relation to differences of opinion between parties, it would be unwise and indeed impossible to attempt to draw any party lines with respect to them.

It seems to me that the only feasible and constructive approach to problems of this sort will be for each individual member of the house and each individual member of the committee to express his personal conviction, and it is in that spirit that I venture to make these few remarks in connection with the motion now before us.

This motion invites the formation of a committee to consider whether the criminal law of Canada should be amended with

respect to (a) capital punishment; (b) corporal punishment; and (c) lotteries; and if so to suggest how it should be altered. It seems to me that in approaching this question we have always to bear in mind that we are dealing here with facts and not with theories. Murder is one of the headings that the committee is to be invited to consider. It deals with a set of facts. Each one of these headings arises out of the circumstances of the subject matter with which the criminal law on that subject is dealing. It is a subject matter which exists in fact and not in theory. In other words, murder is a fact, and hanging is a fact. Unfortunately, people do kill. So that we are not considering the question of capital punishment in an atmosphere of abstract theory but in an atmosphere of unfortunate fact, that in society as we have it today killings, murders, do take place. In the same way, people do commit the crimes which are now punishable by whipping. Corporal punishment being confined in this country to whipping, it is necessary that we carry on a discussion of that branch of the motion both here and in the committee in the light of the unfortunate fact that horrible crimes which at present call for the penalty of whipping are in fact committed.

The same thing can be said of the law with respect to lotteries. People in Canada do in fact carry on and take part in lotteries. I have reference here, and will have throughout the discussion of this branch of our criminal law, not to the question of the law regarding the keeping of gaming houses or institutions of that kind where roulette and fan-tan and games of that sort are played for the profit of the owner, but to the conducting of sweepstakes and lotteries in public and games of chance for charitable purposes.

While the considerations and recommendations to be made on these subjects are matters which the committee will decide for itself, there are I think certain considerations which it might be suggested should be before the committee in the light of which it might approach its decisions on these various branches of the criminal law. I should like to deal with them in series, starting first with the question of capital punishment.

It seems to me that here the committee will have two branches of the law in this regard to consider. First there is the question of whether or not capital punishment should be retained as part of our criminal law, or whether it should be abolished. Second, if the committee should decide to recommend that capital punishment be retained, then they would have to consider whether or not there should be certain modifications of the law of murder in order to restrict the number or types of cases in which the death sentence will be automatically imposed. I should like to deal with these two branches of consideration.

First, then, in connection with the question of whether capital punishment should be retained or abolished. I can only express the hope that the committee when appointed will approach this matter with open minds and not with preconceived notions either one way or the other. Although one hears quite a number of expressions of opinion that capital punishment is an outrage and should be abolished, it seems to me that we have to study the matter somewhat more deeply than that. I would suggest for the consideration of the committee that at a time like the present when the incidence of crimes of violence is not diminishing, when the tendency I might say is not for murders to become more simple but rather to become more horrible, we cannot lightly say that capital punishment should be abolished.

There are other arguments or factors which I think the committee should bear in mind and on which they should ask for evidence and statistics before they reach their conclusions. I think there are quite a number of factors which urge that this is not the time to make that radical change in our criminal law which the abolition of capital punishment would involve. I refer to the atmosphere in which we live in which crimes of violence, murders and killings are certainly not becoming less in number.

Then I think the committee should look at the experience in other countries, particularly those whose legal systems and criminal law are based by and large upon our system of the common law. I have in mind particularly the United States, and the other countries of the commonwealth. Perhaps I might interpolate here to say that most of the statistics which I shall refer to have been compiled by the royal commission on capital punishment which sat recently in the United Kingdom. This royal commission was appointed in 1949 and brought down its report in September, 1953. In my opinion this document is one of the most masterly and comprehensive studies of the whole question of capital punishment that have ever been made.

Not only did they look at the situation and experience in the United Kingdom; they looked at the experience of practically all countries outside the iron curtain on the continent of Europe, of other countries of the commonwealth, and of the United States. In the United States they considered not only the federal jurisdiction but many if not all of the states.

Mr. Knight: In order to keep the record straight, may I ask the hon. member if it is not a fact that that royal commission did not deal with the question of capital punishment as such.

Mr. Fulton: I am coming to that, if the hon. member will just give me a moment. The hon. member for Saskatoon (Mr. Knight) is perfectly correct in saying that by its terms this royal commission was not invited to consider whether or not capital punishment should be abolished but only to consider the modifications which might be made in the law of the United Kingdom with respect to capital punishment, with respect to murder and with respect to the imposition of the death penalty.

Nevertheless it did make a most comprehensive and detailed investigation, not only of the law relating to murder and capital punishment in the countries which I have mentioned but of the number of murders, the number of executions and also as to whether or not there was an automatic imposition of the death penalty in those countries or whether the imposition of the death penalty was within the discretion of the jury, the court or the judge once a person had been found guilty of murder. As I said, it is one of the most comprehensive and masterly surveys of the whole field which have been made.

Looking then at the experience of other countries as found and reported upon by the royal commission in the United Kingdom, we see that in forty-two of the forty-eight states of the United States capital punishment is retained for first degree murder, although in forty of those forty-two states the jury has some discretion as to the sentence, as to whether death or life imprisonment will follow. They summarize their findings at pages 460-461 and I think it might be convenient for the purposes of this discussion if this summary were put on the record. It reads:

> In three states, the juries are authorized to recommend mercy but the recommendation is not binding.
>
> In fifteen states, the jury must specify whether the sentence should be death or imprisonment for life and there is no verdict unless the jury reach agreement on both guilt and sentence.

I might say that this deals exclusively with the situation which arises in those states of the United States where a verdict of guilty of murder in the first degree has been brought in. I continue:

> In eight states, the death penalty is automatic unless the jury recommend life imprisonment; thus, if the jury cannot agree, the death sentence is pronounced.
>
> In two states, a sentence of life imprisonment is automatic unless the jury recommend death; thus, if the jury cannot agree, the sentence is imprisonment for life.
>
> In nine states and the federal jurisdiction, the jury may qualify their verdict by the words "without capital punishment", though it is not certain whether the jury's decision is binding on the court. It appears that the jury must reach a unanimous decision and there is no verdict unless the jury reach agreement on both guilt and sentence.
>
> In two states a recommendation by a majority of the jury is sufficient.

That, then, is the situation in the United States where in forty-two of the forty-eight states capital punishment is retained. In all commonwealth countries the death sentence is retained. In Australia generally speaking, in Canada, in Ceylon and New Zealand the death sentence is mandatory following a verdict of guilty of murder.

It is interesting to note, also, that for a period of time they abolished capital punishment in New Zealand but they have recently re-introduced it. The same holds true of the United Kingdom where after a trial period in which it was agreed that no one convicted of murder would be subjected to the death penalty, and where when the time limit for the trial period expired the experiment was not continued, the death sentence is mandatory following a verdict of guilty of murder.

I am sure that the committee, in addition to considering the experience and present practice in other countries, will want to give some consideration to the question of the very nature of punishment itself. Here I think we cannot do better than consider the words used by the British royal commission in their discussion of the question of the nature of the death penalty as a punishment, with respect particularly to its deterrent effect and as to whether it is justified because of that effect. On that question they had this to say, as reported at page 18, where they quoted the words of one of their witnesses, Lord Justice Denning, as follows:

> The punishment inflicted for grave crimes should adequately reflect the revulsion felt by the great majority of citizens for them. It is a mistake to consider the objects of punishment as being deterrent or reformative or preventive and nothing else . . . The ultimate justification of any punishment is not that it is a deterrent, but that it is the emphatic denunciation by the community of a crime; and from this point of view, there are some murders which, in the present state of public opinion, demand the most emphatic denunciation of all, namely the death penalty.

They continue with this statement by the commission itself:

> The Archbishop of Canterbury, while expressing no opinion about the ethics of capital punishment, agreed with Lord Justice Denning's view about the ultimate justification of any punishment. By reserving the death penalty for murder the criminal law

stigmatises the gravest crime by the gravest punishment; and it may be argued that by so doing, the law helps to foster in the community a special abhorrence of murder as "the crime of crimes", so that the element of retribution merges into that of deterrence. Whatever weight may be given to this argument, the law cannot ignore the public demand for retribution which heinous crimes undoubtedly provoke; it would be generally agreed that, though reform of the criminal law ought sometimes to give a lead to public opinion, it is dangerous to move too far in advance of it.

Now, with respect to the argument as to whether or not the retention of capital punishment is justified on the basis that it is a deterrent to the crime of murder, the royal commission came to the conclusion, and I think I am summarizing their conclusion fairly and accurately, that the evidence was inconclusive either way. In other words, that one might compile a set of statistics to show that the existence of the death penalty had in certain cases or in certain countries a very great deterrent effect, and on the other hand one can turn to countries in which there is no death penalty in existence and can argue from statistics gathered there that the incidence of murder was no greater there than in countries which retained the death penalty. The royal commission, however, uses this sentence: "We can number its failures. But we cannot number its successes." That is for the very reason that it is obviously impossible to say in how many cases a person tempted to commit murder has been deterred by the fact that he might expose himself to the possibility of the death sentence.

It is pointed out, however, that they feel a good deal of weight has to be given to the opinion of responsible police officers, and I think perhaps the most impressive summary they gave of the police officers' evidence is to be found at page 38, where they say as follows:

The representatives of the chief constables' association and the police federation were strongly opposed to any changes in the existing law.

Then they go on:

. . . they had no doubt that if liability to be convicted of murder and to suffer the death penalty were limited, criminals would take more risks, use more violence and more often carry firearms.

While we of course in this country are not in any sense bound by the opinions or necessarily by the experience of any other country, I would nevertheless suggest that these opinions and similar opinions, which I hope our committee will have an opportunity of hearing from similar organizations in Canada, will carry the greatest weight with the committee when it commences its deliberations.

There is, it seems to me, another reason for caution in considering this first aspect of the matter as to whether or not capital punishment should be abolished. It appears to me that to a very great extent the arguments of those who favour an immediate embarkation on the abolition of capital punishment are met by the fact that we have under our system of law the jury method of trying persons accused of murder. I make no bones about it, nor do I have any hesitation in saying that by and large I have complete confidence in the jury system in producing correct and just verdicts in murder trials.

My conclusion is based on my experience, limited as I immediately confess that experience has been, compared to the experience of some others in this house and many others outside who have had a wide experience in criminal trials. But, based upon my experience—and I have been on different sides in different murder cases—and based upon the reading I have been able to do on the matter, my conclusion is that the jury does not often go wrong.

I think it is an established fact that juries will not convict if they feel a man should not hang, and it does not matter what the judge may say to them. The judge may say to them that there do not seem to him any grounds upon which the jury can bring in a verdict of manslaughter. If the jury do not think the man should hang, they will not convict him of murder; and this is true in the vast majority of cases. Other hon. members may have had a different experience, and of course individual cases differ; but by and large it seems to me that that is the experience of most people and that that fact is the greatest assurance that could be given that the existence of the death penalty does not lead to unjust or unmerciful results.

I was glad to find that my conclusions in this regard were similar to those of the royal commission in the United Kingdom to which I have referred. I think the passages of their report dealing with this tendency of juries to reach merciful verdicts where they feel the circumstances of the case do not warrant conviction, even though technically the crime may be murder, are extremely interesting. They say, and I am reading now from page 8, paragraph 28:

After giving full weight to the consideration that juries rightly demand a very high standard of proof before they are willing to convict on a charge so grave as murder, we formed the impression from the evidence that juries do from time to time return a verdict of manslaughter, and more rarely of guilty but insane, or of acquittal, in cases where there is little ground for reasonable doubt that the accused was in fact guilty of murder. (A typical case,

cited by more than one witness, is the murder of an unfaithful wife or her lover by a soldier returning from the war.) We agree with Sir John Anderson that such verdicts are to be attributed to sympathy for the accused in the particular case rather than to disapproval of capital punishment or to any shrinking from responsibility.

They also summarize certain of the evidence presented to them as follows:

Lord Justice Denning, on the other hand, said that "in many cases which are in law plainly murder, juries return verdicts of manslaughter, because they do not think the death sentence is appropriate"; and the Howard League for Penal Reform said that their observations over many years bore out Justice Denning's view.

When you take the conclusion that juries will usually arrive at a proper verdict on all the facts and couple with that the existence in Canada, as in all countries of the British commonwealth which observe the principle that Her Majesty is the head of the commonwealth, of the exercise of the prerogative of mercy, the right of reprieve, then I think that there is room for argument that the principle of capital punishment should not lightly be removed from our criminal law.

While I am not going to trespass upon the work of the committee, I think that in this connection a very short statistical review of the experience in England and in Canada is interesting and illuminating. The table reproduced in this royal commission report shows that so far as the United Kingdom is concerned, in the ten-year period 1940 to 1949 inclusive there were 1,666 murders known to the police. These resulted in 815 arrests for murder. Of the 815 arrested 680 were committed for trial at assizes. Of the 680 tried there were 262 cases where the jury returned a verdict of guilty and the death sentence was imposed. Out of the 262 there were 127 executions.

In other words, within that ten-year period murders were followed by executions in 7·6 per cent of cases. In 38·5 per cent of cases those tried were found guilty. In 18·7 per cent of cases those tried and found guilty were actually executed, and in 15·5 per cent of cases those arrested were actually executed. While statistics in Canada are not available on the same basis, we do have in the report published by the bureau of statistics entitled "Statistics of Criminal and Other Offences for the Year 1950", a summary at page 199 of murder charges, dispositions, commutations and executions from 1900 to 1950. Although the same detail is not available in this table, it shows that in the period of ten years from 1940 to 1949 inclusive there were 479 murder charges laid. Those 479 charges resulted in 196 death sentences as the result of jury verdicts and 104 executions.

Therefore during that ten-year period, in 40·9 per cent of cases those charged were found guilty by the jury, compared with 38·5 per cent in Great Britain, or pretty nearly the same percentage. In 21·7 per cent of cases in Canada those charged were found guilty and actually executed compared with 18·7 per cent in the United Kingdom. Therefore verdicts of guilty in Canada are higher by about 2 per cent of cases than in the United Kingdom and executions in Canada are higher by about 3 per cent of cases.

But the statistic which I think is interesting is that, in that period of ten years, in 21·7 per cent of cases in Canada, or roughly only one-fifth of the cases where a charge of murder was laid which proceeded to trial, was there a finding of guilty and the death sentence actually executed upon the accused person. Therefore I think we should always bear in mind that in this country, and our experience appears to be repeated in the United Kingdom and I should gather from that in other commonwealth countries, it is fair and accurate to say that only in a very limited number of cases is a charge and trial for murder followed by execution, and in a restricted number of cases is the sentence of death followed by execution of that sentence. These are the main considerations that occur to me which should be borne in mind by the committee and all aspects of which should be studied in connection with their consideration of whether or not capital punishment should be abolished in Canada.

Then there is the other branch of that consideration which I mentioned, namely, possible modifications of the law of murder even though the principle of capital punishment may be retained. Again I would say that in approaching the question of whether to modify our law it is desirable to go slowly. After four years of study the royal commission in the United Kingdom reached four main conclusions on this point. It is always difficult to summarize a lengthy report in a few words, but I think I am doing so fairly and accurately when I say that, broadly speaking, the four main recommendations were: First, to eliminate or vary—there were two different recommendations on this subject—the rules in M'Naghten's case having to do with insanity; second, to modify the rule regarding provocation; third, to abolish the doctrine of constructive malice; and fourth, to give discretion to juries in murder trials, in cases where they have brought in

a verdict of guilty, to find in addition extenuating circumstances which would mean that the death sentence would not be imposed but that a sentence of imprisonment would automatically follow.

For our purposes I think it might be suggested that it is important for us to consider only the last two recommendations. The subject of insanity is going to be referred to a royal commission and the rule regarding provocation is already the same in Canada as it has been recommended that it be in the United Kingdom. It does not seem to me therefore that the first two recommendations need concern us very much, and even the third recommendation respecting the abolishing of the rule regarding constructive malice does not seem to me to be of much importance to us because the application of the rule of constructive malice in Canada is not by virtue of its being a rule of law, but is restricted to those cases laid down in the Criminal Code. The fact that it is confined to certain offences gives it a more restricted application than it has as a general rule of law in the United Kingdom.

It would seem to me that the most important of their recommendations from our point of view is the one which I have listed as the fourth, namely, that juries be given discretion, after having found a verdict of guilty of murder, to find in addition extenuating circumstances. However, Mr. Speaker, I think it should be pointed out that the British royal commission were concerned with what does concern every one of us here and every person in Canada, that is, cases where there are extenuating circumstances in the environment or background of the accused or where it is felt that the accused did not actually intend to kill, but where, in law, what the accused did was murder. Certainly, I do not suppose there would be a person in this house or in the country who would not agree that in cases of that kind there is room for modification of our law. It is a horrible thing that a person should be hanged merely because, although he does not intend to kill, in law what he has done is murder. That is the situation that concerned the British royal commission. It is a situation that each and every one of us will have in mind when we consider this subject.

It is felt that it is contrary to the principles of our law that a person should pay this penalty for something he did not intend to do. But one has to realize also that the law has been carefully framed so as to make it impossible for people to embark recklessly upon acts which result in the taking of a life. After all, that is the most serious thing a person can do. It is to discourage embarking lightly upon courses of action of that kind that the law has, heretofore at any rate, been careful to lay it down that such a course of action is, technically, murder.

The question is whether that kind of murder, if I might call it that, as distinct from deliberate, cold-blooded, intended murder, should carry with it automatically the death penalty. It was this point that the British commission considered, and which they had in mind when they made their recommendation regarding the discretion given to the jury to bring in this finding of extenuating circumstances. While realizing fully the difficulty that lies in this problem, and the desirability of exploring every method which might result in tempering justice with mercy, I want to reiterate my belief that the greatest safeguard we have may be found, not so much in amendments to the law as in the fact that we follow the jury system. It seems to me it is the greatest safeguard we have in Canada against the possibility of cases, in which there are extenuating circumstances, resulting in the death sentence. As I have said my conclusion, as a result of experience and reading, is that with remarkably few exceptions juries will not convict of murder when there are extenuating circumstances.

In dealing with this problem the British royal commission considered and rejected an idea which however I think should be explored here in spite of what I have said about the safeguard of the jury system. That is the suggestion that there should be a statutory definition of two types of murder, first degree and second degree murder. First degree murder would be the only one to be followed automatically by the imposition of the death sentence. The British royal commission considered that and rejected it. They came up with this recommendation of giving juries a discretion.

It is interesting to note that that recommendation has already been very strongly, and I may say very effectively, criticized in the House of Lords. Members who are interested will find the debate on that point recorded in the House of Lords official report for Wednesday, December 16, 1953. Viscount Simon—unfortunately, Mr. Speaker, one has now to say the late Viscount Simon because according to newspaper reports he died yesterday, one of the most eminent lawyers ever produced in the United Kingdom—introduced into the House of Lords a motion criticizing the particular recommendation of the British royal commission to which I have referred.

Interestingly enough, he was supported in his argument by Earl Jowitt, who had been the lord chancellor in the Labour government until Churchill was re-elected. Lord Jowitt agreed with Lord Simon that the recommendation of the British royal commission was not sound. Their objections were based mainly on the contention that it is not proper to give to the jury a discretion as to sentence. Their argument was that under our system the matter of sentence has always been reserved for the judge, that the jury are the judges of the facts, they are the judges of the question of whether or not the accused is guilty as charged. That is all it is proper to place upon the jury. Once they have exercised that responsibility, then it is not fair to go back and ask them to accept another responsibility by saying, "How shall this man be punished as a result of the verdict you have brought in?"

I was impressed by the objections raised in the House of Lords to this particular recommendation, and I am certain it will be agreed that if the objections are valid they would be as valid here as they are in the United Kingdom. But it seems to me it may not be necessary for us in our consideration, if we do feel it desirable to make some change in the law of murder, to feel driven to adopt such a course as the British royal commission recommended. I put this forward as a suggestion only. It seems to me that one of the reasons for the British royal commission coming to the conclusion it did and making the recommendation it did was that it felt impelled to reject the suggestion of a statutory definition of the different types of murder, as first degree or second degree murder. Having rejected that suggestion, they were left with but one alternative, the recommendation they introduced.

In Canada, I think we are fortunate in that we have established for ourselves a codification of our criminal law. We have had our Criminal Code since the 1890's. The British appear to have almost an abhorrence for codifying their criminal law. Theirs is embodied in a great mass of common law and over 150 separate statutes relating to the criminal law. It seems to me that the objection to making statutory definitions of murder does not apply in this country to the same extent as it does in the United Kingdom; at any rate, we do not have the same objection to it. I think we should not shrink from introducing a statutory definition of different degrees of murder, if that is felt desirable, merely because they did not adopt that course in the United Kingdom. I do not think their objection to it applies here at all. I believe that if we decide that some solution along these lines is desirable, then the creation of different types of murder would be found to be preferable to giving a discretion to the jury.

Mr. Garson: Will the hon. member permit a question? When he refers to types of murder, to what has he reference?

Mr. Fulton: To first and second degree murders.

Mr. Garson: Not to constructive murder?

Mr. Fulton: No. Our code has already established in statutory form that which in the United Kingdom is referred to as constructive malice.

Mr. Fleming: Not political murder.

Mr. Fulton: I shall conclude my remarks on this phase of the matter by saying that it may be there is no need for a change in Canada at all. I have already expressed my confidence in the jury system, and in juries in general. I would also point out that, at least in any case within my knowledge, the jury has always had laid before it most thoroughly by defence counsel any extenuating circumstances. And having before them the knowledge of those extenuating circumstances such as might be calculated to arouse their sympathy, juries, I am sure, will not find accused persons guilty of murder if they do not think those persons should hang.

I cannot think of any defence counsel who would not take every advantage of placing before a jury every extenuating circumstance, or who would fail to place before a jury every suggestion alternative to the idea of murder, or who would fail to place before them anything which might be calculated to arouse their sympathy. Once the jury has gone through the process of arriving at a verdict, and having decided that an accused person is guilty of murder, I cannot conceive their being asked to go back and to consider all over again whether there are any extenuating circumstances.

Had they felt that there were such extenuating circumstances, they would not have found the accused person guilty of murder in the first instance. Perhaps they would have found insanity, or brought in a verdict of manslaughter. I would therefore urge the committee now to be set up, when it is considering this subject, to keep in mind the fact that there is a distinct and strong possibility that the necessity for change in our law concerning murder in Canada is not as urgent as is sometimes suggested.

I can imagine some people saying that I am a typical Conservative or, if you like, perhaps that I am a typical lawyer because I am

opposed to change. I would ask hon. members to think of the matter in this way, that what I am suggesting is not so much that there should not be any change in our approach to the idea of capital punishment or the laws regarding murder, but rather my suggestion is that what we now have in our Criminal Code and our use of the jury system give an assurance that changes will be made. We may be assured that as they are made those changes will keep abreast of but will not precede or run counter to current social and sociological thinking in society, because juries are formed of members of society.

Thus a hundred years ago a jury would probably have brought in a verdict of guilty, without any compunction whatsoever, in respect of a crime upon which no jury today would convict. And yet the law of murder has not changed; it is the jury that has changed. A jury in considering the charge and the evidence, and in arriving at its verdict, is going to reflect the current social and sociological, penal and penological thinking of the country. So that to suggest that we should go slow in embarking upon changes in our Criminal Code is not simply to oppose change, but rather is to say—as I am now saying—that we already have embodied in the criminal law and procedure of Canada the assurance that change can take place, that it will take place and that it does take place, and that it takes place at a pace which is in keeping with the progress of thought and the development of ideas on these subjects in society as a whole.

I do not intend to exhaust the patience of the house, and shall mention only briefly the other two subjects the committee will be asked to consider, those of corporal punishment and gambling laws. I have dealt at some length with the subject of capital punishment at this time, because I do not think it requires much argument to convince ourselves that probably it is the most important of the three subjects the committee will be asked to consider.

Murder is very final; so is hanging. No one gets a second chance after he has been hanged. While none of us may ever be the accused in a murder trial, we cannot for that reason refuse to consider the matter in the serious light it deserves. Furthermore, every person in Canada is potentially the object of a murderer's activity, so that the consideration of this matter, especially when there is involved in it the question of punishment and whether capital punishment acts as a deterrent to murder, is of vital concern to every Canadian. It is for these reasons that I have spoken on the subject at such length, and at considerably greater length than I shall deal with the other two subjects.

However, I do wish to say, with respect to corporal punishment, that here again, while it may be that views on the subject are not as definite as those concerning capital punishment, there is reason to make haste slowly. I think that a résumé of the types of offences for which corporal punishment may now be imposed as an additional penalty would indicate some of the reasons why we should not go too fast in seeking to eliminate it.

Referring to the index to the Criminal Code one finds that the penalty of whipping may be imposed—and it need not necessarily be imposed—for the following offences: assault, whether it be indecent assault or assault on the person of the king, or on a wife or other female causing actual bodily harm. Then—armed burglary; carnal knowledge; choking or strangling when incidental to such things as attempting to have carnal knowledge or administering narcotics; incest; administering drugs; procuring; rape; and robbery—that refers to joint, violent, or armed robbery.

Those are the offences for which whipping may be imposed as part of the penalty. And I do suggest that merely to catalogue those offences, each of which has about it some element of horribleness, something about it which is disgusting or particularly reprehensible, does suggest that we should not move too fast in eliminating the possibility of whipping being imposed as part of the penalty.

Incidentally, I think that again we might be somewhat reassured, by looking up the statistics as to the number of occasions upon which whipping has been imposed in the last two years as part of the penalty. I find that in this statistical table issued by the bureau of statistics, to which I have already referred, while in respect of the indictable crimes for which persons were charged and found guilty there is no breakdown of the actual number of types of crimes for which whipping might have been imposed as part of the penalty, nevertheless during 1950, out of a total of 31,385 convictions for indictable offences, in only 40 cases was whipping imposed as a penalty. In 1951 the total was even smaller. Although there were 28,980 convictions for indictable offences in 1951, there were only 35 cases in which whipping was imposed as part of the penalty. Therefore it is obvious that it is a power or a discretion, available in the hands of the judges, that is not always used, and indeed is used very sparingly and only in exceptional cases where it is felt that the whipping, while perhaps it may not—and I suggest this for the consideration of the committee—act as a deterrent to somebody else

not to commit the same crime, it will be almost one hundred per cent guaranteed to act as a very powerful deterrent to the person who receives that penalty against a repetition of the same crime.

Then, with respect to the question of the gambling laws and lotteries generally, as I said at the outset, Mr. Speaker, I feel that we are going to be much more concerned in the committee with the situation regarding the holding of lotteries than with the question of whether or not a person should be allowed to keep a common gaming house where roulette, fan-tan, and gambling of that sort takes place to the profit of the owner of the house. I do not suppose there is a person here who would not agree that that sort of thing is undesirable in our civilization; but I do think we have to give a great deal more serious thought to the much more difficult problem of the gambling laws generally, particularly with respect to lotteries.

I am not going to attempt to lay down here even a broad general principle, let alone any refined one, or indicate particularly what I think the committee should find, but I am going to take the liberty to suggest this and this alone as the basis of approach. It seems to me we should decide whether or not in fact gambling is a crime; whether or not in fact the conducting of a lottery and taking part in it, even for purposes of raising funds for charity, is a crime, or whether rather the crime does not lie in the conducting of a dishonest lottery or the raising of money, whatever be the motive, by dishonest methods. It seems to me we have to sort out our thinking on this subject and decide for ourselves, without fear or without being too much influenced by outside pressures, whether or not, as I say, the conduct of lotteries and similar activities properly supervised and honestly conducted is really a crime.

One could be amusing about this. I suppose most members of parliament ride on the trains from time to time. Probably most of them journey to and from their homes on the railways. Therefore, as members of parliament, perhaps we are more intimately brought into contact with the question of the gambling laws in Canada than almost any other section of the community, simply because of the frequency with which we have to travel on railway trains where, as every member knows, there is posted in what is obviously felt by the authority in charge of that railway or steamboat to be the most conspicuous place, a warning to all and sundry of the terrible perils that are attendant upon gambling on that railway car or steamboat. I see the minister nodding his head. I am sure he must have read that warning sign himself.

Mr. Garson: On a point of privilege, I was not nodding my head up and down or sideways.

Mr. Fulton: Well, I doubt whether the minister could have gone home without seeing that little sign. I do not know whether he is less anxious to agree or to disagree with what I am saying. Perhaps the immobility of his head indicates that he is not going to express his opinion one way or the other. I was going to say that it is an extraordinary situation that if, let us say, the hon. member for Rosetown-Biggar (Mr. Coldwell) and myself happened to be journeying west and we indulged in a little innocent poker game—

Mr. Coldwell: Bridge.

Mr. Fulton: Or bridge—for stakes, however small, we would be liable to be haled by the conductor or other officer in charge of the railway train at the first available opportunity, with or without warning, before an officer of the peace, and there delivered into his custody and charged with an offence against the Criminal Code of Canada. In fact, it would be incumbent upon that railway conductor so to hale us —I think that is the word—before the peace officer and lay a charge.

Mr. Fleming: Is this an actual case?

Mr. Garson: May I ask my hon. friend a question? In what percentage of the cases of the innocent poker or other card games upon trains that he has heard of has a prosecution been launched?

Mr. Fleming: The minister has got the point at last.

Mr. Fulton: I am glad the minister has asked that question. It touches upon the very point I was trying to get over in connection with our approach to the gambling laws. In other words, as the minister is aware, this section is completely disregarded; it is not enforced. People break it and get away with it. I am glad they do, because it would be absurd if it were to be enforced. But is it a healthy state that there should be on the statute books of this country, in the Criminal Code, a section which, as the minister will agree, it is fair to say by his own admission is so absurd that it would produce such folly if not injustice if enforced that it is just simply ignored? As the minister himself knows, a great many of the other provisions of our Criminal Code with respect to gambling, particularly in

regard to lotteries, are ignored. Gambling does take place and the Canadian people are taking part in lotteries. That is why I have said, and I am glad to have the minister's interjection to reinforce my point, the time has arrived when we have to make a serious and solemn study of this situation and decide for ourselves whether or not taking part in lotteries is a crime.

While perhaps that is not as important as the question of capital punishment, the time has certainly arrived, in fact it is long since past, when we should not have on our statute books—and in perhaps the most important statute in Canada, the Criminal Code—a provision at which everybody laughs. Everybody knows that that situation should not be allowed to continue because contempt of the law is an undesirable, a harmful and a mischievous thing, and ought not to be permitted to continue longer in Canada.

I do not think there is anything further that I can say in connection with these subjects except that I hope we may hear from the minister before the debate concludes an outline of the method by which the government suggests the committee ought to conduct its deliberations, and an indication of what opportunity will be afforded to interested bodies and organizations throughout Canada to make representations. I know that in the final analysis the committee decides these things. But I do urge upon the minister the fact that the government's desire and intention in the matter would be most helpful both to the committee and to the public who are so intimately concerned with the manner in which this is to be handled.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I am keenly interested in this motion introduced by the minister recommending the appointment of a joint committee of this house and of the Senate to consider the important matters of capital punishment, corporal punishment and lotteries. I have been greatly interested in the question of capital and corporal punishment over a long period and I feel very strongly on the matter. My views are somewhat different from those of the hon. member for Kamloops (Mr. Fulton). In the course of all the reading I have done on this matter and all that I have heard I have never yet come across any basic or fundamental argument that convinced me that I was wrong in my contention that capital punishment is a survival of savagery and barbarism and that on no ethical ground can it be defended.

There is no one who will condone a murder; it just could not be done. However, I think we have to recognize that murder takes place under the stress of circumstances; it takes place mainly for reasons of passion and jealousy, through an attempt to escape capture; it is committed by the insane and in some instances it is premeditated. As I say, we do not condone murder because it is an offence against society. It is a criminal act because murder is the taking of life.

We all maintain that human life is sacred, but if it is sacred and its destruction by an individual is a crime, then the fact that two or more people get together and call themselves either a society or a state does not alter the basic fact of the sacredness of human life. Surely it is a principle of social ethics that we should not delegate to someone else the responsibility or duty of taking a human life.

The previous speaker quoted at length from the report of the royal commission in Great Britain and commented on the fact that capital punishment had been reimposed in that country. I think it should be remembered that capital punishment was not actually abolished in Great Britain. There was a period which was sometimes referred to as a truce or a suspension, and that is what actually took place. After the period of the suspension or truce was over capital punishment was reimposed.

In listening to the hon. member for Kamloops I rather got the impression that he was trying to indicate that it had been reimposed, if I can use that term, because of an increase in crime. I take it that he meant in particular an increase in the number of murders during the period of suspension.

Mr. Fulton: I did not say anything like that.

Mr. Winch: To me the hon. member's remarks indicated that it had been done for that purpose. However, the fact remains, if we can take the information which was sent to all members of the House of Commons by the Canadian Friends' service committee under date of December 22, where they quoted from the British *Hansard* of January 27, 1949, that in Great Britain there were 19 murders in the 7 weeks before the truce; 25 murders in the first 7 weeks of the truce; 17 murders in the last 7 weeks of the truce; and 26 murders in the 6 weeks after the resumption of executions in Great Britain.

This matter of the abolition of capital punishment goes back to 1843. Since that time a great many countries of the world and 6 of the states of the United States have abolished capital punishment. To the best of my knowledge in that period only 3 countries resumed capital punishment. It is

very interesting to note the countries that did abolish it, although, as I say, I believe there were 3 countries that resumed the imposition of capital punishment.

New Zealand abolished capital punishment in 1941; Queensland abolished it in 1922; Sweden in 1910; Portugal in 1886; Switzerland in 1943; Italy in 1899; Cuba in 1940; Argentina in 1922; Brazil in 1891; Colombia in 1910; Ecuador in 1895; Peru in 1897; Mexico in 1929; Costa Rica in 1926 and Honduras in 1926 also.

As was also mentioned by the hon. member for Kamloops, 6 of the states of the United States have abolished capital punishment. This action was not taken in recent years as Michigan abolished capital punishment in 1847; Rhode Island in 1852; Maine in 1876; Minnesota in 1911; North Dakota in 1915 and Wisconsin in 1853.

I have not the recent figures but about five years ago I compared the per capita ratio of murder in the 6 states where capital punishment has been abolished with the average of the other states where it is still imposed. Those figures proved conclusively that in the 6 states of the United States where they had abolished capital punishment there was only half the number of murders on a per capita basis as compared with the other states.

I think the evidence is conclusive from some of the greatest legal minds and penologists in the world that capital punishment is not a deterrent to murder. If we followed through with the line of reasoning of the hon. member who spoke a few minutes ago, that society in Canada has placed its stamp of disapproval on certain acts of man by applying capital punishment, then it would appear to be logical reasoning to assume that we could prevent crime or would have a lesser amount of crime if capital punishment was applied to some of the other activities of criminals.

This does not work out in fact. If it did, then the time in the history of Great Britain when there would have been the least crime would be the nineteenth century. In the nineteenth century there were 240 kinds of offences that were punishable by death, and in the reign of Henry VIII I find there was a total of 72,000 people who died either on the gallows or on the block. Now, if there was a deterrent to crime through the medium of capital punishment then we should have seen it in operation during that time. The facts, however, prove the opposite. They prove that instead of being a deterrent it was actually an encouragement. If we took the statements and examined the records of penologists after an execution they would show that there was an increase in crime. I do feel we should take into very serious consideration the findings of men whose names are very well known to us.

[Mr. Winch.]

I do not think there is a greater authority on penology on the North American continent than Mr. Lewis E. Lawes, who was for many years a warden at Sing Sing. In an article he wrote, I think it was about two years ago, this expert on penology, this man, who for a period of over twenty years lived his life amongst the criminal element in the United States, had this to say, and I quote:

> I used to believe strongly in the social necessity of capital punishment. Now, I do not. There is no room for sentimentality in dealing with the subject of capital punishment. I believe death fades into insignificance when compared with life imprisonment. To spend each night in gaol, day after day, year after year, gazing at the bars and longing for freedom, is indeed expiation.

And he further said:

> Executions, like war, brutalize men; the more that take place, the greater the number there is to execute. The man about to die becomes a hero.

I do not want to take up too much of the time of the house in reading quotations but I would like to give just one more and that is from one of the greatest lawyers in North America. His name is Clarence Darrow and he took a very firm stand on the question of capital punishment. He had this to say, and I quote:

> If the full details of executions could be vividly told; if men and women could visualize the horror coming from the fear and dread of this shameful and cruel death; if people could feel the agony of the days of waiting: if they could grasp every detail—all normal human beings would be so shocked to think of their part in the horrible deed as to get rid of the barbarism that inspires the desire to have some unfortunate killed by the state.

Clarence Darrow also had this to say:

> No facts can be produced by anyone to show that the death penalty ever lessened murders.

That being the case, if it does not lessen murders, if it is not a deterrent to crime, then why kill? Why insist on standing by what I might term the Mosaic law? I know there are some who like to follow that law, "an eye for an eye and a tooth for a tooth", but that certainly was not the principle as laid down by Christ himself. Surely we, who boast that we are Christians and civilized, should recognize that it is not our responsibility to take the life of another. It is our responsibility only to see that those who are dangerous to society are incarcerated in such manner that they can no longer be dangerous.

I am absolutely convinced after having been of my own volition in a great many of the prisons in Canada—I was one of the very fortunate ones, for I could get out when I wanted out—that the average person fears life imprisonment and his loss of freedom a great deal more than he fears the loss of his life. I am sorry that the government could

not see its way clear to bring in an amendment to the Criminal Code abolishing capital punishment, but as they have not seen their way clear to do so I am very glad that they are going to refer the matter to a committee.

A number of years ago I, along with others, tried to have the death sentence on three Indians changed to life imprisonment. I was told at that time that I did not know what I was talking about. Had I ever seen a man hanged, I was asked. Apparently you have to see a man hanged before you know anything about it. I had not at that time, but about three weeks later I went to see a man hanged, a young man. He had not killed anyone himself but he took part in a bank hold-up and he was condemned to death. That was about eighteen years ago and because of it I still have nightmares.

I have no hesitation whatsoever in saying that in my opinion no judge or member of a jury should be permitted to sit on a case where they may bring in a verdict of death unless they have seen a man put to death, and unless they themselves have seen a man hanged. It is a horrible thing to go into a small room like a disused elevator shaft, such as the one in British Columbia, with about a dozen people standing around waiting for the condemned person to be brought in, and to see the look of fear and the expression, "Well, I have had it". It is horrible to see that foot-long knot behind the condemned man's ear, and to see the executioner's touch on the man's shoulder, "Forward a little bit there, please, that's a good boy". And then the drop. It is horrible to see and to hear that rope whanging back and forth across the sides of the trap and to hear the gurgling noise and the sighs that come up from below.

I think something is wrong with us when we have to resort to that sort of thing in this modern day and age. Yes, we have to protect society, we have to incarcerate those dangerous to society, but I think we should also remember that the majority of homicides take place in a time of passion and under the strain and stress of difficult circumstances. Although we have got to inflict some penalty upon them we should not arrogate to ourselves the right to take the life of another human being.

I sincerely hope that this committee in its studies will obtain information from all over the world, and that they will study the records of those countries which from 1853 have not had capital punishment. I hope they will study on a per capita basis the records of crime in those countries where there is no capital punishment compared with those where they do have it, and I hope they will also take the same opportunity of getting information on corporal punishment.

It was my privilege to be permitted to visit the penitentiary in British Columbia for a couple of days before coming here to the House of Commons and I found there that unless it is ordered by the courts they never use the lash or the paddle. Those in charge of the British Columbia penitentiary inform me that a far greater deterrent to bad conduct on the part of inmates than the paddle or the lash is the bread and water treatment, and confining prisoners to their cells for twenty-four hours a day. I think the same principle would apply in the matter of the committing of crimes.

Therefore I am most certainly opposed to capital punishment and to corporal punishment, and I have a great deal of hope that, when the report of the committee is presented, the minister will amend the Criminal Code again so as to remove this throw-back to savagery and barbarism from the statute books of the Dominion of Canada.

Mr. Garson: Mr. Speaker—

Mr. Deputy Speaker: May I remind the house that if the minister speaks now he will conclude the debate.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, this is one of the occasions upon which I envy hon. members of this house who may be designated by the term "my hon. and learned friend". I admit immediately that I am not in my own field when I take part in this particular discussion; but if any of my hon. friends think that I, through ignorance of the subject, should not take part in this debate may I refer them to the hon. member for Kamloops (Mr. Fulton) who has held up the juror to eulogy before the house and made him out to be practically infallible. I remind the house that in most cases the juror is an amateur like myself so far as legal experience is concerned. Possibly he has never been in a law court in his life; yet collectively at least, if not individually, he is supposed to have some sanity and ability to judge, again collectively, the particular issue before the court.

Capital punishment is of course a controversial subject. Practically all my life I have been trying to make up my mind about it, although I do not claim to have had any extended or morbid interest in the matter. But as a layman I should like to express, inadequately of course in the opinion of my learned friends, one or two of the things about which I have been thinking. There is

this matter of the commission in Great Britain. As a matter of fact I became interested in it because of the comments I read in certain newspapers. I would remind my hon. friends that the commission did not receive as great praise in certain quarters, particularly in some of the British newspapers, as it has at the hands of my hon. friend. I should like to quote from this rag —and it is a rag—the *Daily Mirror*, the issue of September 4, 1953. It is a rag but I would remind hon. members that it is read by more people than any other newspaper in the world. I am not quoting it as an authority, but rather because it gives an opinion which is read by many people. It has this to say with respect to the report of the royal commission on capital punishment:

> It is an evasive mouse of a thing made smaller and thinner and more ill-nourished by the vast amount of labour that has been spent upon it.

Then it goes on to say that for nearly four and a half years the commission conducted its investigations in various countries of the world, and it makes this significant statement:

> They went into it with their hands tied. They came out of it washing them.

The reference to their hands being tied has to do with the fact that the question under consideration was not actually that of capital punishment itself. The London *Times* of September 24, 1953, has this to say about the matter:

> The report of the royal commission on capital punishment deals with only the secondary aspects of a great subject, for the fundamental question whether the state has the right, or requires, to take human life by process of law, was not referred to the commissioners.

It is true, as stated by the *Times*, that the reference to the commission was limited. The question is whether the state is to continue to punish the crime of murder by taking the life of the offender. I may be wrong in this statement, but I take it that criminals are not now convicted of murder unless they have consciously endangered life. I submit that the word "consciously" can be variously interpreted. I would ask this question. Are there not many murders committed, as was pointed out by the hon. member who has just spoken, in moments of passion or mental disturbance? I wonder if fear of execution would be a deterrent at all in such cases? I wonder if a man, when he is going to commit murder, sits down and thinks: If I do this, what will I get? Will I get 60 days or will I be hanged?

Perhaps I might point out to my hon. friends as an aside that the word is "hanged" and not "hung". I wonder if a man sits down and thinks about that sort of thing or if he does not simply commit murder in a moment of intemperance, insanity or emotional upset. After that, what happens to him is in the lap of the gods. I submit that people do not usually calculate the consequences when they are about to commit a crime.

The question of the justification of capital punishment is one on which it is indeed difficult to make up one's mind. We are uncertain about other things too. One talks about unity of parties on various things, but I find continually that there are matters upon which so many things may be said on both sides that it is difficult to assess it and arrive at a final conclusion. But after due consideration I have decided that I am on balance opposed to capital punishment. There are various arguments. There is the moral question, which I think has already been raised by the hon. member for Vancouver East (Mr. Winch) as to whether or not the state has the moral right to deprive any one of its members of the right to life for any reason.

The judgment I have reached is one to which I have come rather slowly, but let me give some of my reasons for opposing capital punishment. First of all there have been cases where people who have been convicted of murder and hanged have later been proved innocent. I would remind the hon. member for Kamloops, and I am sure he will agree, that although juries are frequently right there are occasions where the jury or even the learned judge may be wrong. I would rather take the chance of a half dozen people being wrongly acquitted. It would be a terrible thing if injustice were done in even one case. It would be far better to forgo the gruesome pleasure of taking social revenge upon someone rather than to do an injustice of that magnitude.

Many persons convicted of murder and condemned to be hanged are later reprieved. I suggest that again there is cruelty and agony in such a situation. The long periods of waiting, the long periods of mental agony, are probably more terrible than the carrying out of the death penalty itself.

Then there is the matter of justice in connection with reprieves. I imagine that mistakes are made there. When one reads about reprieves in the newspapers he finds that many of the people so reprieved are women. I am not going to enter upon any discussion that might arise on that point. Many of the reprieved are young people. They are people, I suppose, between 18 and 21 years of age. We all know that people are not alike. We cannot be equal. When God poured for each

of us a little measure of intelligence, he did so with an uneven hand. I am going to ask you, is a man who is 20 *ipso facto* more emotional or unstable than another man of 22? It is evident, at least to me, that in these reprieves we fit the punishment to the criminal and not to the crime. I think that might be true in those instances. Certainly there is a lack of uniformity, and discrimination may leave room for injustice.

Then I would advance the argument of cruelty in many executions where death has been prolonged. We have had gruesome instances of this sort. I shall not go into them today, but I mean where something goes wrong with the killing machinery, if I might term it that, and we have these horrible cases, demoralizing even to those who read of them.

I want to say another word or two about the Gowers commission, as I think it is sometimes known. It is significant, first of all, that that commission recommended giving the jury the power to declare whether or not there were extenuating circumstances. In other words, as I interpret it the jury was given the discretion of substituting a lesser sentence than the death sentence. Does that not show that in the minds of the people who set up the commission there was some doubt as to the adequacy of this method of capital punishment? The discretion is handed over to the jury, an awful discretion, a weighty responsibility. It is even a heavy responsibility for a judge, who is a man trained in law and who has studied crime all his life, but for an ordinary man called from his labour to know that he has in his own hands the responsibility of whether his neighbour shall live or die is surely a horrible thing.

The member for Kamloops (Mr. Fulton) has talked about the efficiency of the system of capital punishment in Britain. His figures do not jibe with those submitted by the hon. member for Vancouver East (Mr. Winch). The argument of the hon. member for Kamloops is that capital punishment acts as the best possible deterrent against murder. I want to point out to the hon. member that in Britain it is estimated that of all convicted murderers only half do, in fact, go to the gallows; that for every twelve murders reported, only one killer is executed. The hon. member for Kamloops has pointed out that killings are becoming more frequent in Canada and the United States. Since capital punishment is in existence in Canada and the United States, how can he assert that fact as a logical argument for its continuance?

The infallibility of the jury has been much stressed by the hon. member.

Mr. Fulton: I did not use the word "infallibility".

Mr. Knight: The hon. member is a man of words; perhaps he can suggest a better one.

Mr. Fulton: You suggest it. You are the one who is trying to improve on my speech.

Mr. Knight: By the way, I have never been in a law court in my life, and perhaps that is evident from what I have said already. I would point out that probably the average juryman, like myself, has never been in a court previously. He has to decide whether or not there are extenuating circumstances. He has to decide even upon the issue of sanity, and that must be rather difficult for the average man who has no training whatever in mental disturbances or, for that matter, in psychology. A juryman has to give judgment on matters of character and matters of mentality which might puzzle even judges who have had experience, who have been studying law and crime all their lives.

Even with this inexperience or lack of ability in the jury, I would be prepared to accept their judgment in most things because I am a believer in collective good sense. I am not so sure of the good sense of the individual, but when you get twelve men, good and true or otherwise, I think they nearly always do come to a logical conclusion. The trouble is that this verdict of guilty in murder cases is the sort of thing on which you cannot take a chance. I would be prepared to trust jurymen in spite of their inexperience and their inability in some cases, but here is a case where you have a life at stake, and surely that is the ultimate in importance.

Since the only justification for capital punishment is the protection of society, and since we cannot justify it on the grounds of social revenge, then I maintain that society can be protected equally well by other methods, the most obvious of which is life imprisonment.

Mr. W. B. Nesbitt (Oxford): With reference to the special committee to be set up to study capital punishment and lotteries, Mr. Speaker, I have only a very few brief remarks to make, which I hope may help the committee.

First of all I should like to say that I agree with the hon. member for Kamloops (Mr. Fulton) in the thoughts which he so adequately expressed. In addition, I should like to say that I hope the committee will consider, if capital punishment is to be retained, different methods of carrying out the execution. At the moment we have the usual method of hanging for carrying out capital punishment. I hope the committee will seriously consider, if capital punishment is to be retained,

whether or not some other method could be used. Alternative suggestions have been made, such as the lethal chamber, the electric chair and so on. I believe that this is an important consideration.

I think further that the committee ought to bear in mind that such punishment for murder might not necessarily be considered as punitive but rather in the nature of a deterrent. Possibly if the method of carrying out the execution were made less barbarous the deterrent factor might not be so strong.

In regard to the matter of whether or not capital punishment ought to be retained, there is a very practical consideration. If the criminal who is convicted of murder is sentenced to life imprisonment, that is the maximum sentence he can receive. There is nothing to deter that criminal who is sentenced to life imprisonment from trying to escape at every opportunity, possibly taking other lives in the process. In other words, such a person is rather analogous to a continual time bomb in the penitentiary, because he can receive no heavier sentence than life imprisonment and there is nothing to deter him from attempting to break out.

I have no doubt many members who will serve on the committee will receive representations from various organizations throughout Canada on the subject of capital punishment, stating whether in their opinion it should or should not remain in our law. Undoubtedly many of these recommendations and suggestions will come from genuinely moral groups holding deep religious convictions, such as the Society of Friends. I have no doubt many hon. members have already seen such representations.

Since section 46 in Bill No. 7, as I read it, would make spying in peacetime a capital offence, representations may very well be made to members of the committee from groups holding somewhat ulterior motives in trying to remove the death sentence. I think this should be borne in mind, because it would certainly facilitate the activities of any spying group. And I hope no one will mistake my meaning and proceed to classify me with a well-known gentleman south of the border. I do feel, however, that this should be borne in mind.

There is one further item I would mention at this time. It seems to me that, in addition to the subjects of capital and corporal punishment, and lotteries, the special committee to be set up might very well take into consideration the additional subject of sex crimes as they are set out in sections 135 to 149 inclusive in Bill No. 7, as well as in sections 659 to 667 in the same bill.

[Mr. Nesbitt.]

I make this suggestion for many reasons. With the exception of sections 659 to 667, which deal with preventive detention, there are no substantial differences on this subject in that bill as compared with the corresponding sections in the present Criminal Code. Having had some experience as a crown attorney for several years, I have found that offences of this nature present difficult problems both to the police and to crown counsel, from the point of view of laying proper charges, and that these offences present even greater difficulties to the magistrates and judges who must deal with the matter from the point of view of sentences to be imposed.

The difficulty in connection with the imposition of sentences arises from the fact that there is a wide diversity of opinion as to just what degree of severity there should be in sentencing in a sex crime. The argument that an accused person has had previously good character and has conducted himself as a good citizen, but that he has suffered some type of mental aberration, is invariably presented in mitigation of these sentences. One may find that one magistrate or judge may inflict a very light sentence upon an accused charged with a crime of this nature, while another magistrate or judge might inflict a more severe penalty. There is this lack of uniformity in sentences throughout the country, a condition which does not encourage respect for law.

It is my feeling that this confusion with regard to the sentences that ought to be imposed on criminals of this kind is due to a confused state of public opinion generally, and that some sort of clarification as to possible minimum as well as maximum penalties should be set out in the proposed new Criminal Code.

From the amount of publicity crimes of this nature have been receiving in the last few years it would appear that such offences may very well be increasing. But even if they are not on the increase, public interest in them most certainly is. While crimes of this nature are all offensive and disagreeable, those involving children are the most offensive of all. I feel that the people of this country are determined that stringent action should be taken against such criminals who attack children, action more stringent than has been taken in the past.

Again, within reason I feel that this matter should be investigated by the special committee to be set up to study the matters which have been mentioned previously. My personal view would be that, like the subject of insanity, this is one that should be dealt with

by a royal commission, in view of the psychiatric evidence which ought to be considered. People who are outside the fields of medicine and psychiatry are almost totally unfamiliar with such subjects. However, since no provision of this kind has been made, at least it would be a step in the right direction if sex offences were given consideration by the special committee to be set up.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to ask the minister a question. What does he consider the chief cause of murder? Is it hunger for gold; is it jealousy, or is it drinking parties? My experience is that the last is the most serious. If the government licenses the liquor business, then how can it condemn a man when, under the influence of liquor, he commits a crime?

Mr. Garson: I shall be glad to answer my hon. friend when I close the debate.

(Translation):

Mr. J. W. Dufresne (Quebec West): Mr. Speaker, I have been listening with great attention to the speeches delivered this afternoon on the subject now before the house. I was particularly taken by the interesting facts, statistical information and, more generally, by the very able fashion in which the hon. member for Kamloops (Mr. Fulton) expressed himself on this subject.

As for me I have no intention of discussing this matter from a legal point of view, since I am not a lawyer. I simply wish to discuss it in a somewhat logical way.

I see that the hon. Minister of Northern Affairs and National Resources (Mr. Lesage) finds it funny that there can be one member sitting here for Quebec city who is not a lawyer. A precedent has been set. The working people of my constituency have wished it to be so and they have not requested the minister's permission.

Mr. Lesage: Mr. Speaker, I rise on a question of privilege. I laughed because my colleague, unintentionally, poked fun at lawyers when he said that, not being a lawyer himself, he felt in a position to discuss the matter in a logical way.

Mr. Gauthier (Portneuf): Somewhat logical.

Mr. Dufresne: Mr. Speaker, I know that I am not as fortunate as the minister, not being a university graduate, and that I may have made a slip during my remarks. However, I do intend to continue and I hope that the hon. members who have found my remarks rather funny will now show a little more tact.

(Text):

Mr. Speaker: As it is now five o'clock, the house will consider private and public bills.

(Translation):

Mr. Dufresne: Mr. Speaker, I move the adjournment of the debate.

Mr. Speaker: It is not necessary for the hon. member to do so. When we resume the debate interrupted by the study of private and public bills, we will proceed from where we left off a moment ago.

(Text):

PRIVATE BILLS

CATHERINE MILLER MARY HARRIS DAWSON COUTTS

Mr. W. G. Weir (Portage-Neepawa) moved the second reading of Bill No. 12, for the relief of Catherine Miller Mary Harris Dawson Coutts.

Mr. Speaker: There are several divorce bills on the order paper, running from No. 29 to No. 88. Will they all be taken in one motion?

Some hon. Members: Agreed.

Mr. Speaker: Is a motion for second reading of these bills agreed to?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, just before the motion for the second reading of these 60 divorce bills is agreed to, I should like to say a brief word. As *Hansard* does not have the capacity for recording the emphasis members sometimes try to make, I should like to emphasize that in this brief moment we are called upon to give second readings to 60 divorce bills.

Were it not for one significant fact I would suggest that the house should give consideration to what it is doing, and take these bills one by one and do our job on them more seriously. However, the one significant fact to which I refer is that a special committee has been set up by this House of Commons under Your Honour's chairmanship, which is studying the rules of the house. As the result of a discussion which took place in the house a month or more ago, it has been agreed that in that committee we shall give consideration to the question as to whether or not we can find some other way to handle these divorce applications. My hope is that that committee will grapple with this problem, will realize the fact that no one in this House of Commons likes dealing with divorce in this way and that we shall find some other way to handle this matter.

So long as the matter is under discussion by Your Honour's committee on the rules of the house I will not take any time on these

bills here on the floor. But I think I should make it clear that if no alternative method is found for dealing with these bills, some of us will feel later on that we should call upon the House of Commons to take this job seriously and deal with these bills one by one.

Motion agreed to and bill read the second time.

SECOND READINGS—SENATE BILLS

Bill No. 13, for the relief of Elizabeth Ann Hunter Daykin.—Mr. Weir.

Bill No. 14, for the relief of Martha Anne Sutherland Clarke.—Mr. Weir.

Bill No. 15, for the relief of Phyllis Best Childs.—Mr. Weir.

Bill No. 16, for the relief of Marilyn Clerk Merlin Clarke.—Mr. Weir.

Bill No. 17, for the relief of Kenneth Urban Lunny.—Mr. Croll.

Bill No. 18, for the relief of Florence Bella Davis Baines.—Mr. Weir.

Bill No. 19, for the relief of Claude Arlington Root.—Mr. Croll.

Bill No. 20, for the relief of Lizzy Weiss Nomberg.—Mr. Croll.

Bill No. 21, for the relief of Mildred Elizabeth Sears Leighton.—Mr. Croll.

Bill No. 22, for the relief of Margot Landwirth Steinbach.—Mr. Weir.

Bill No. 23, for the relief of Pauline Noel Lapointe.—Mr. Croll.

Bill No. 24, for the relief of Joseph Philippe Marc Andre Fortier.—Mr. Weir.

Bill No. 25, for the relief of Nancy Rachel Bonnar Barclay.—Mr. Weir.

Bill No. 26, for the relief of Marusia Zozula Hempseed.—Mr. Croll.

Bill No. 31, for the relief of James Alexander Stevenson.—Mr. Weir.

Bill No. 32, for the relief of Vyvyan Holcombe Hervey.—Mr. Croll.

Bill No. 33, for the relief of Gilberte Drouyn Serres.—Mr. Croll.

Bill No. 34, for the relief of Margaret Alice May Plinn Cote.—Mr. Weir.

Bill No. 35, for the relief of Stanislas Anthony Placzek.—Mr. Croll.

Bill No. 36, for the relief of Rose Enkin Carriere.—Mr. Weir.

Bill No. 37, for the relief of Lottie Levine Lubotsky, otherwise known as Lottie Levine Kuznicki.—Mr. Croll.

Bill No. 38, for the relief of Solanges Laperle Desjardins.—Mr. Weir.

Bill No. 39, for the relief of Jack Kaufman.—Mr. Croll.

Bill No. 40, for the relief of Selma Sara Schachter Lande.—Mr. Croll.

Bill No. 41, for the relief of Paul Joseph Simard.—Mr. Weir.

Bill No. 42, for the relief of John McCullough Gasken.—Mr. Weir.

Bill No. 43, for the relief of Joseph Louis de Gonzague Giguere.—Mr. Weir.

Bill No. 44, for the relief of Jean Hunter Bercovitz.—Mr. Weir.

Bill No. 45, for the relief of Diane Lorraine Cleveland Morgan Stewart Patterson.—Mr. Weir.

Bill No. 46, for the relief of Elsie Eleanor Bennett Kirkcaldy.—Mr. Weir.

Bill No. 47, for the relief of Bernice Margaret Vizzutti Charters.—Mr. Weir.

Bill No. 48, for the relief of Archibald Christopher Mottley.—Mr. Weir.

Bill No. 49, for the relief of Bessita Asaria Farchi Lotenberg, otherwise known as Bessita Asaria Farchi Lotey.—Mr. Weir.

Bill No. 50, for the relief of George William Bonfield.—Mr. Weir.

Bill No. 51, for the relief of Marjorie Joan LeRiche Dunphy.—Mr. Weir.

Bill No. 52, for the relief of Geraldine Donovan Wilcox.—Mr. Weir.

Bill No. 53, for the relief of Norma Mary MacKenzie Benton.—Mr. Weir.

Bill No. 54, for the relief of Anna Smilovitch King.—Mr. Weir.

Bill No. 55, for the relief of Kathleen Dempsey Robertson.—Mr. Weir.

Bill No. 56, for the relief of Joyce Delia Pierce Korenberg.—Mr. Weir.

Bill No. 57, for the relief of Alfonsas Jankus.—Mr. Weir.

Bill No. 58, for the relief of Michael Lansky.—Mr. Weir.

Bill No. 59, for the relief of Wilma Elizabeth Dalglish Rochon.—Mr. Weir.

Bill No. 60, for the relief of John Cromkie Nicol.—Mr. Weir.

Bill No. 61, for the relief of Tyrus Raymond Markham.—Mr. Weir.

Bill No. 62, for the relief of Thelma Louise Heinz Finlay.—Mr. Weir.

Bill No. 63, for the relief of Dorothy Joan Glegg Statham.—Mr. Weir.

Bill No. 64, for the relief of Mary Laura Olive Coote Laflamme.—Mr. Weir.

Bill No. 65, for the relief of Sadie Denenberg Rockman.—Mr. Weir.

Bill No. 66, for the relief of Yukiko Takeuchi Zusko.—Mr. Weir.

Bill No. 67, for the relief of Joan Gooderham Wyman.—Mr. Weir.

Bill No. 68, for the relief of Guy Favreau.—Mr. Weir.

Bill No. 69, for the relief of Elizabeth Stewart Hughes Koren.—Mr. Weir.

Bill No. 70, for the relief of Esther Wray Carpenter Batt.—Mr. Weir.

Bill No. 71, for the relief of Shirley Mary Davis Robertson.—Mr. Weir.

Bill No. 72, for the relief of Carlo Castelli.—Mr. Weir.

Bill No. 73, for the relief of Eveline Shaheen Sauvageau.—Mr. Weir.

Bill No. 74, for the relief of George William Swinwood.—Mr. Weir.

Bill No. 75, for the relief of Marguerite Frances Wiggins MacKay.—Mr. Weir.

BRITISH NORTH AMERICA ACT

AMENDMENT TO INCREASE QUORUM OF HOUSE OF COMMONS

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 81, to amend the British North America Acts, 1867 to 1952, with respect to the quorum of the House of Commons.

He said: Mr. Speaker, in rising to say a few words in support of this bill I wish to say at the outset that it is my view there is one thing wrong with it. It proposes that the quorum of the House of Commons should be increased from 20 members, which is the present figure, to 30 members.

What is wrong with this bill of mine—in my own personal estimation—is the figure 30. My view is that that figure should be much higher. Bearing in mind the fact that this house consists of 265 members, and bearing in mind the fact that most bodies that meet and transact business have much higher quorums—indeed in many cases the accepted quorum is at least a bare majority of the membership of the body in question—it does seem to me that we should be proposing a much higher quorum. It seems to me that it ought to be at least 50 members, or perhaps more. But, at any rate, for reasons which are well known to hon. members, I have proposed in this bill the figure of 30.

Lest there be any of the new members who are not aware of the reason for the proposed figure of 30, I would point out that when the British North America Act was passed in 1867 it provided for a quorum for the House of Commons of 20 members. But that quorum of 20 members as enacted in 1867 was in relation to a House of Commons the total membership of which was 181. Therefore, in view of the fact that the membership of the House of Commons today is 265, by a process of simple arithmetic one can determine that to maintain that same proportion calls today for a quorum of 29·2 members. It is on that basis that I suggest our quorum should be not fewer than 30. In other words, in suggesting that the quorum should be increased I go only so far as to suggest that we should retain the same percentage that was established by the fathers of confederation.

Actually I do not mean to suggest that there is any sacredness in the percentage so arrived at by the fathers of confederation when they drafted the British North America Act. For example, I have found it a bit interesting to discover that the statutes that provided for the rules of procedure of the legislative assembly of the province of Canada—the one that was in existence from 1840 to 1867—included in the rules of that body the provision that the quorum was to be 20 members. Indeed, if one takes the trouble to look up the rules of the legislative assembly of the province of Canada, from 1840 to 1867, he will discover that for the most part our rules today, in particular those of our rules that give us a great deal of trouble, are simply rules that were carried forward in the same wording that was used by Upper and Lower Canada in the legislative assembly they had from 1840 to 1867.

Well, that was the simplest thing to do. In fact, when the parliament of Canada first met in 1867 the question arose as to what rules of procedure would be followed. Sir John A. Macdonald simply moved that the rules of the late province of Canada be the rules for the House of Commons until such time as a committee might work out alternative suggestions. On the same day he moved that a committee be appointed to work out rules for this House of Commons, and when that committee did its job it made very few changes in the rules that had been in effect in the legislative assembly of the former province of Canada. Therefore one of the rules that was carried forward was this rule that the quorum be 20 members.

I have tried, but I have had some difficulty in ferreting it out, to ascertain just how many members there were in the legislative assembly of the province of Canada. It looks to me as though there were 130. It is interesting to read the statutes that provided for that legislative assembly and discover how the information one seeks is buried in words. At any rate, provision was made for 65 members from Lower Canada, namely what is now the province of Quebec; and as I understand it the number was equal for the two parts of that province, namely Lower and Upper Canada. Therefore in that period from 1840 to 1867 you had an assembly of 130 members. That figure is subject to correction, but I believe it is correct. Out of that 130 members you had a quorum of 20.

When the parliament of Canada was set up and the House of Commons was established it had a membership of 181. It seems to me that those in that first House of Commons might well have increased that quorum of 20, which applied to 130 members, to a higher figure proportionate to the new membership of 181; but they did not choose to do so, and I think the reason is quite clear. They were starting off with the rules of the new House of Commons in the simplest way they could. They just took over the book that had been in use in the legislative assembly of the late province of Canada. Since 1867 the membership of this house has increased on a number of occasions from the 181 in the first instance until we now have in this present house a membership of 265, but down across those years no change has been made in the quorum of this house.

Mr. Macdonnell: Has any change ever been proposed?

Mr. Knowles: The hon. member for Greenwood (Mr. Macdonnell) anticipates the very next point I am going to make by asking me whether changes have been proposed. The answer is yes, that a change was proposed on at least one occasion. I hold in my hand a copy of the *Journals* of the House of Commons for 1925. During that session a special committee was established to consider the rules of the house. There is an interesting little story behind the appointment of that committee. It arose out of a private member's motion, in fact a motion made by Mr. William Irvine, who many hon. members of this house will remember as having been here not many years ago. His motion was amended by the then prime minister, Mr. King, and as a result the committee was set up and did an exhaustive job.

It went over all the rules of procedure that then comprised the standing orders of this house and made suggestions for changes in quite a number. Following that report, in the next year, 1926, quite a number of those changes were put into effect. The rules that we operate under today are more or less the rules as put into effect in 1926. Any changes that have been made since have been few in number.

One of the suggestions that committee made in its report back to the House of Commons on Friday, May 29, 1925, related to this very question of the quorum. Let me read a paragraph from the report of that committee, as follows:

> The presence of twenty members forms a quorum of the house under section 48 of the British North America Act which was passed when the Canadian Commons consisted of only 182 members.

I regret having to pause at this point to make a correction in one of the official records of this house. I am sorry to state that they were wrong at that point in 1925. It may have been only a typographical error, but if one will consult the British North America Act he will discover that the membership was 181 rather than 182. Perhaps the confusion arose from the fact that there were 82 members for the province of Ontario. To go on with the recommendation made to the House of Commons by that committee:

> According to the proportion then accepted—

That is the proportion accepted in 1867.

> —the quorum should now be raised to 27 members.

That was the view expressed by the special committee in 1925.

> But this even does not seem to be sufficient.

I could not agree more than I do with the members of that committee in 1925 who suggested that even 27 did not seem to be sufficient. The recommendation continues:

> Your committee being of opinion that a larger quorum will be conducive to better attendance, recommends that the quorum should now consist of thirty members.

In reply to the hon. member for Greenwood (Mr. Macdonnell) I think I have a good basis for the suggestion made in my bill. The next sentence or two in the recommendation probably makes it clear why nothing was done:

> In order to make this change, it will be necessary to present an address to the parliament of Great Britain requesting that section 48 of the British North America Act be amended so as to substitute the word "thirty" for the word "twenty" therein.

I suggest that that requirement was the main reason nothing was done in regard to that recommendation. The rest of the changes proposed in the report were within the competence of the House of Commons to put into effect, but so far as the quorum of the house was concerned it was obvious that it could be changed only by amending the British North America Act. The only way to amend the British North America Act at that time was by presenting an address to Westminster. Apparently at that time the House of Commons did not feel that the issue was of sufficient importance to warrant the presenting of an address from both houses to the crown requesting such a change.

However, in the meantime we have had the amendment to the British North America Act which was passed in the fall session of 1949, and which gives the parliament of Canada authority to amend the British North America Act in respect of any matter exclusively federal. There are other details in that amendment which I need not recite at this time, but I think it is quite clear

that the matter of the quorum of the House of Commons, or for that matter the quorum of the other place, is exclusively federal, so there is no question but that we have the right here in the parliament of Canada to amend section 48 of the British North America Act if we see fit to do so.

There has been only one amendment to the British North America Act since the amendment of 1949 which gave the parliament of Canada that authority. I refer to the amendment respecting the basis of redistribution, which amending bill was put through in 1952 on the motion of the Minister of Citizenship and Immigration (Mr. Harris). We had a most interesting discussion at that time, particularly in the committee on redistribution, as to the form in which any amending bill would be drafted that would seek to give effect to the authority of this parliament to amend the British North America Act. Several courses of action were suggested, but it seemed to be generally agreed that we had the right here in this parliament to amend that statute even though it might be referred to as the statute of another country.

The answer to the question that arises when one puts it that way is that technically speaking it is the crown which enacts legislation. It was the crown which enacted the British North America Act in 1867. It did so on the advice of the Lords and Commons of the United Kingdom at that time. Now when we amend the British North America Act, as we did in 1952 in respect of redistribution, or as we could do in respect to the quorum, it will be the crown which will be enacting that change on the advice of the Senate and House of Commons of Canada. That may be a bit of digression from the main purpose of the bill, but I confess to an interest in the constitutional aspects that arise out of this simple bill.

As I have indicated by referring to the report of the committee in 1925, it was recognized 29 years ago that it was desirable to increase the quorum but apparently nothing was done because of the necessity of presenting an address by both houses to Westminster. That hurdle is now out of the way; we can do it now by a bill dealt with by both houses of this parliament.

I suggest that we should take advantage of that opportunity to make this minor but significant change. Some hon. members will say of course that it is not very much to increase the quorum from 20 to 30. I agree, and I have pointed out already that I would like to see the figure much larger. However, knowing the difficulty that one has in getting anything of great substance through around here I prefer to ask only for the number I have suggested, which simply maintains the same percentage.

These days, and I suppose this has always been the case, parliament is frequently under criticism by the public for a variety of reasons. We get criticized if we let things go through the House of Commons without adequate discussion, and we get criticized if we talk too much. As the hon. member for Kamloops pointed out on a former occasion, members of parliament get criticized if they are down here in Ottawa instead of being home meeting their constituents, and if they are back home meeting their constituents they are criticized for not being here in parliament. That is in the nature of things, and one has no complaint to make about it.

But one of the things we get criticized for is our attendance. I refer to attendance under two headings, on the one hand being here in Ottawa and on the other hand being in this chamber of the House of Commons when legislation is under consideration. It seems to me that the least we can do to show the public that we are taking our jobs seriously would be to increase the quorum and make sure that there are more members here all the time than is the case under the present quorum of 20.

There are those who have argued against this bill on the ground that hon. members have other things to do, that they have committees to attend, that they have correspondence to deal with in their offices and so on. But we know all that, and it applies to everyone; yet there are some of us who are able to be here a great deal of the time. I see no reason why we should not increase the requirement as to the attendance in the house.

With regard to the argument about committees requiring the attendance of members elsewhere, hon. members know very well that even in respect of rooms where committees can meet in this building, accommodation is quite limited, and I am sure I am setting an outside figure when I suggest it is not possible to hold enough committees at the same time to take 100 members out of this chamber at any one time.

An hon. Member: Oh, yes.

Mr. Knowles: Oh, no. I have checked the figures; and even in the fall session of 1951, when we had a great many committees meeting, at no time were over 100 members required in attendance in the committees that were sitting. That was during the session when sometimes committees were sitting so often that we even adjourned the sittings of the house. Even if we make the

figure 150 that still leaves 115 other members available for attendance here; and to suggest that as a reason why the quorum could not be 30 is, I believe, evading the issue.

Therefore, Mr. Speaker, in presenting this bill to the house I strongly urge hon. members to support it. The only criticism, it seems to me, that could be levelled at the bill is that it does not propose a higher figure. If anyone wants to do that I have no objection, but it does seem to me that this at least is a step we should take. Although this bill has been before the house on previous occasions it has not yet received the support of the house, but I present it once again today in the hope that the requirement it contains will meet with the approval of the members of this house.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I am labouring under a disadvantage in entering this debate at this moment. It is always somewhat of a surprise to find out which particular private member's bill is going to be presented; and in addition to that, of course, we have only today resumed our session. My other handicap is that I wish to point out some deficiencies, if I may use that term, in the hon. member's remarks, and I know I am getting tangled up with a person who has already established a reputation for knowledge of the rules of procedure of this house. However, I am going to attempt the task.

The hon. member for Winnipeg North Centre (Mr. Knowles) happens to be a resident of the riding which I represent, and every resident of a member's riding is a potential supporter. Nevertheless, I am going to risk the loss of his support in the next election. A year ago when a similar bill was brought before the house I was unfortunately out of the chamber but still in the building, and I missed the debate by about a minute and a half. I made sure I would be present on this occasion.

Mr. Argue: If the quorum had been 30 then you might have been here.

Mr. Churchill: Let me say in advance that I am not much concerned with the proposal for amending the British North America Act. That can be done at any time. I do not think we need any further demonstrations that we are masters of our own destiny. That aspect seems to loom rather large in the opinion of the sponsor of the bill, but I do not think it is of such great importance. I realize, though, that he would like to have the privilege of introducing a bill which would amend the British North America Act and establish a precedent.

[Mr. Knowles.]

The hon. member seems to be concerned with the attendance in the chamber and I propose dealing with that, but before doing so I would like to consider just what is meant by a quorum, and I think the debate may be narrowed down somewhat if we examine a definition. Lest there be some doubt about it, a quorum, according to the Oxford dictionary, means a fixed number of members that must be present to make the proceedings of an assembly or of a society or board valid, and the meaning of the word "valid" given by the same dictionary is "executed with proper formality".

The purpose of a quorum, therefore, is merely to ensure that no business shall be conducted unless there is a certain number of members present. It also serves the purpose of permitting the house to commence its business without any great delay, for it is obvious that when the quorum consists of only 20 the Speaker will be able to call the house to order within a few minutes of the assembly bell. It also means that if there is a falling off in the attendance in the chamber during the transaction of business and there is no quorum in the house, then the house will come to a standstill if someone draws attention to the lack of a quorum and an adjournment will take place, or at least a procedure will be followed to ensure that before the house resumes its business there shall be a quorum present.

But the purpose of a quorum, briefly, is to make certain that any business done in the house shall be conducted according to the rules and shall be valid, and it precludes the conduct of business in the house by perhaps two or three or even a half dozen members. On the other hand, it does not insist that the entire membership shall be present. In any organization or society you have to determine at the outset how many shall be necessary to constitute a valid conduct of business. You either say that everybody must be there, or half the members must be there, or you decide on a certain proportion; and over the years it has been customary in all types of organization to set a rather low figure for a quorum simply to ensure that business will not be conducted without a sufficient number of people present to ensure that everything will be in order. It is not set at a very low figure, nor is it set very high, in order to introduce the element of compulsory attendance which my hon. friend has mentioned.

It is obvious that if a quorum is set at higher than the present figure the house might on occasions be counted out because of lack of attendance, although on many occasions last year I counted the members in this house and my observation was that it was a rare thing for the attendance in this chamber to

fall below 45, except at some of those awkward moments around five or six o'clock, or at eight o'clock when we resume.

With an enlarged quorum the whips, whose troubles are many, would be under obligation to pay more attention to the number of members in the house and would be bothered by, I think, an unnecessary obligation to see that the quorum was maintained. When the quorum is left at a low figure there is not much need for that type of attention. If the quorum is set at a high figure a person who wanted to obstruct the business of the house might ask for a count just for that purpose. We all know that members are coming and going all the time, and you might have a count of the house called and find that within the lobbies on either side there were members who could immediately enter the house. You would have obstruction of the business of the house just for the sake of having a count to see where members were. I think there should be little or no occasion ever to count out the House of Commons, and that we should be careful that that should not occur. I believe that keeping the quorum low is an assurance that there will be no counting out of the house.

I did a little research on my own after the fashion of the hon. member for Winnipeg North Centre. I wanted to find out if this house had ever been counted out in the past. I may not have found all the occasions but I will draw the attention of the house to the three I discovered. It was counted out on the 29th of June, 1917, at the hour of ten minutes to eleven. In those days the house continued until eleven o'clock. There were 18 members present, they were counted and the house was adjourned at five minutes to eleven. It was not a very serious matter, because they were near closing time anyway.

On the 11th of March, 1919, the house was counted out. It was then fifteen minutes after ten o'clock. There were 15 members present. They were counted, and the house was adjourned at eighteen minutes after ten.

Mr. Rowe: What date was that?

Mr. Churchill: The 11th of March, 1919. In the first instance I gave the house was debating a bill. In the second case they were considering the address in reply to the speech from the throne. The third occasion was on the 10th of June, 1938. The house was in committee of supply, and at eight p.m., just after the supper hour, a sufficient number of members were not present. A count was held. There were only 16. The chairman of the committee called in Mr. Speaker, who then had another count made and discovered that the number had reached 17. The house was then adjourned at ten minutes after eight. These are the only three occasions I have found on which the house was counted out because a quorum was not present.

I also had occasion to look at the situation in the United Kingdom. My hon. friend mentioned the fact that years ago our quorum was still only 20 when the house was small in numbers. He said the number of members has increased, and that the quorum has not gone up correspondingly. He mentioned the fact that in 1867 the quorum consisted of 11·5 per cent of the members, but I do not think for one minute that when the fathers of confederation were determining the quorum of the House of Commons in 1867 they decided upon a percentage. They just took what had been the practice in the past, simply an arbitrary figure of 20, and let it go at that. I do not think anyone ever worked it out on a percentage basis until possibly the committee of 1925.

The House of Commons of the United Kingdom has been functioning for many years, and they have a larger membership than we have. I think it is 625 at the present time. Their quorum was set at 40 over 300 years ago. Mr. Ivor Jennings, who has written an excellent work entitled "Parliament", states on page 75:

> By a usage which dates from 1640, and which may be altered by resolution of the house, there is a quorum of forty members.

The quorum is set at that figure, and although they have an easy method of altering it they have not bothered so to do. I think the reason is the very reason I have already given, that the purpose behind the quorum is simply to see that things get started on time without too much trouble and to guarantee to members who are not present that nothing is being done in the chamber except by at least 20 members. In the United Kingdom the House of Commons, with a membership of 625, is satisfied with a quorum of 40.

The question of the quorum of the house at Westminster was raised about a year ago last December when the house was counted out unexpectedly. It was debating a government measure, the iron and steel bill, and it was discovered that there was not a quorum present. The house was counted out and the sitting adjourned. Following the resumption of business the next day Mr. Attlee twitted the government for permitting itself to be counted out on a matter of government business. There had only been four members of the opposition present, but he quite properly said that it was no particular concern of the opposition to maintain a quorum of the house when the government of the day was trying

to reverse something the previous government had done. In his opinion the responsibility rested upon the government.

However, he looked back to see whether such an astonishing thing had happened before and was unable to find that their House of Commons had ever been counted out in that manner. They take extra precautions over there. In order to avoid counting out there is an arrangement that during the dinner hour—and I interpolate that their house meets from 2.30 in the afternoon until 10.30 with no adjournment for dinner—from 7.30 to 8.30 in the evening, no count shall be taken. During the course of the day if there is a count-out before four p.m. the house simply stands adjourned until that hour and then resumes business. They do not have to wait until the following day. It is only when the count-out occurs after 8.30 in the evening that the rules provide for adjournment of the house until the following day. I think it is obvious that their quorum is kept at a low figure in order to avoid unnecessary interruption of the business of the house.

I come now to another matter in the presentation of my hon. friend to which I take exception, the idea of compulsory attendance. As I understood him, he thought it would be wiser for us here to have more people sitting in the chamber under the compulsion of a higher quorum than to carry on as we are doing at present. I do not think the question of compulsory attendance, if it ever arises—I hope it will not—should be linked up with the question of a quorum. I believe there are two different things involved. I believe the quorum serves its own purpose, and that the question of compulsory attendance is separate and apart.

My hon. friend has suggested that even when several committees are meeting it should be possible to have more members in the house. It is an extraordinarily difficult task to determine why a member is not in the chamber at the particular time you yourself happen to be present, and I think we simply have to assume that other members are absent from the chamber for the same reasons that would cause me, my hon. friend, or any of us to be absent. There are committee meetings, there is correspondence, there are visitors who come at unexpected moments, and one could never determine at any given moment that a person should be here in the chamber and not elsewhere.

If you were to insert a suggestion of compulsion, then we would lose a little of the small amount of freedom we have. On the ground of compulsory attendance alone I would be inclined to oppose this bill. I think there are ways and means for people to be called to account if their attendance in the House of Commons is not what some think it should be. Surely it has to be left to the members themselves to determine when they shall be in the chamber and when they shall be elsewhere.

Mr. Ivor Jennings, from whom I quoted before, has noticed that over in the United Kingdom they have the same trouble with attendance. I shall just give this short sentence from page 76. He says:

> It is obviously not necessary that members should be in the chamber itself. They must be somewhere near the fount of oratory, but they need not drink. The visitor to the house is, in fact, impressed with the multifarious duties which members find to perform when an ordinary member is speaking in an ordinary debate. The hon. member may be addressing almost empty benches.

Well, that has happened to many of us here in the short experience that some of us have had. Nevertheless we are all well aware that when matters of vital importance to the state are being discussed here in the House of Commons, the place is filled. When matters of somewhat less importance are being discussed, people find it useful to do other things. By and large, the business of the country is carried on and most members are available when needed. We need only recall the occasions when the bell rings for a division, and the scores of people who appear whom we may have thought were not anywhere near this chamber. Consequently I think the idea of compulsory attendance should be entirely removed from this discussion. If the proposal to increase the quorum to 30 is based on the idea of compulsory attendance, it should be defeated on that ground.

I conclude by simply saying that the quorum is set at an arbitrary figure merely to get things going and to ensure that the business shall be conducted in an orderly fashion. There is no hint of compulsory attendance behind it; it is merely a method of having the business of the house conducted in an orderly fashion. I think we should avoid at all times any possibility of a count-out of the house. It would be embarrassing to both sides, and it would be bad for public relations. If we keep the quorum at the low figure it now is, I think we will avoid having a count-out. We can be sure there will be members in the chamber or nearby at all times in case an urgent matter comes up.

Mr. Clarence Gillis (Cape Breton South): Ordinarily I do not take part in a debate of this kind, Mr. Speaker. It is procedural, and there are a lot of technicalities attached to it. In listening to the discussion this afternoon I

thought it was rather unfortunate that the hon. member for Winnipeg North Centre (Mr. Knowles) should have had to introduce a motion of this kind. With the increase in the number of members in the house since the establishment of the quorum, those who write the rules should have been automatically influenced to increase the quorum, without any discussion in the house. If the remarks made by the member for Winnipeg North Centre were read outside by the average "Joe" on the street, it would lead him to believe that absenteeism in this house was much greater than that portrayed by the president of Dosco, at a time when he is trying to belittle the efforts of his workers.

I was rather amazed at the opposition of the hon. member for Winnipeg South Centre (Mr. Churchill). He based his whole opposition to the rule stating the number of members that could constitute a quorum on the principle that it was compulsory attendance. When we set up a committee of this house to examine legislation or bring in recommendations, the first thing we do when that committee sits is to fix its quorum. This makes it necessary for a certain number of members to be present before business can be transacted. No doubt the hon. member who takes that view has voted for that kind of motion in committees many times since being a member of this house.

In listening to his argument one would wonder as to the purpose for which we are elected. Is it not to attend this house and attend to the business of this country? Surely the present quorum expects a small number to be in attendance. I was looking at this book, Beauchesne's second edition—I am rather reluctant to consult this thing because every time I take a look at it I finish up more confused. I read the first edition and thought I knew a little about the matter. I read the second edition and decided I did not know so much. I looked at the third edition, and decided I would not read it.

On this particular subject, standing order No. 5 is very clear and very significant. It says this, and I should like the hon. member for Winnipeg South Centre to listen. It deals with the matter of compulsory attendance.

Mr. Churchill: I did not advocate compulsory attendance.

Mr. Gillis: You said you were opposing the motion of your colleague from Winnipeg on the ground that it meant compulsory attendance. The book says you are compelled to be here anyway, and you certainly cannot disagree with the book. Standing order No. 5 reads:

> Every member is bound to attend the service of the house, unless leave of absence has been given him by the house.

A member has no right to be out of this chamber unless Mr. Speaker tells him he can be absent. I do not see why there is any opposition to this bill at all. It is ridiculous for the matter to be here. I would suggest, Mr. Speaker, that without any more discussion or fanfare we just gracefully accept this motion and say it is a conservative approach to the problem to move that at least 30 members who were elected to attend the people's business in this chamber should be expected to be here when that business is being transacted.

Mr. J. L. MacDougall (Vancouver-Burrard): Like the hon. member for Winnipeg South Centre (Mr. Churchill), I did not expect to enter this debate except to suggest to hon. members present that when the question of a count-out comes up I hope we do not get into the position where we shall be involved in a Dempsey-Tunney short count or long count.

The hon. member who has just taken his seat has said that he would utilize standing order No. 5 as it is set out in Beauchesne's second edition. This was most illuminating, because I believe it was the first time I have ever heard that hon. member discuss the rules of the house as they are set out in any of the three Beauchesne editions. I thought he, like myself, was one who never really consulted those publications with any degree of sincerity or study. We realize, of course, that the honour in that respect goes to the hon. member for Winnipeg North Centre.

However, be that as it may, it seems to me this is not a problem of compulsory attendance. If we are to be fair to ourselves we must admit that if we did not want to be here we would not be here. First of all we asked the electors to send us and, having been sent here, it is our duty to attend. I have a good deal of fun in my discussions back and forth with members in all parts of the house, particularly those from Ontario and Quebec who, because they are closer to their constituencies—much closer than those of us from the Pacific or Atlantic coasts—have to attend certain functions in their constituencies necessitating their absence from the house.

I am not one who will condemn them for that, because such attendance at those functions is part and parcel of our democratic

system. Unfortunately those of us who come from the far Pacific or the Atlantic are in the position that, while we would like on many occasions to be back in our constituencies to attend particular events, because of the 3,000 miles separating us from our constituents we find such attendance at those events impossible.

As a second termer in the house I might say that in the twenty-first parliament I noticed as a freshman that to the best of my knowledge there was no occasion when the count-out was used. I know, as a whip from British Columbia, that when membership in the chamber got low it became my responsibility, and that of others holding similar office without emolument, to see that members were brought here.

I do not consider this situation too seriously because, regardless of our individual opinions in the matter, we must always keep in mind the type of representation meant by a quorum. One could quote from Webster or from other dictionaries in seeking a definition of a quorum. I think, however, that from a practical standpoint the people of Canada generally consider a quorum to be the irreducible minimum of membership present in the house whereby the business can be conducted in a proper manner.

Let us permit it to rest there. In the last parliament, and I expect we will have a similar situation in this one, there has been good representation from Tuesday to Thursday. I am sure that hon. members who are not present on any of those days have always had excellent reasons for their absence. Then we come to the last sitting day of the week, at which time duties call members to the various constituencies which are located reasonably close. They find that they make the return journey over the week end, perhaps extending into the following Monday.

If we were to add an additional ten members to that irreducible minimum by which the business of the country can be transacted, what would it mean? It would mean that those from the far east and the far west would be the ones who at the first and the last of each week would hold the bridge. Since 1867, the year of confederation, we have gotten along very nicely with a quorum of 20 members. It is true that the membership of the house has increased but, as was pointed out by a previous speaker, they have a quorum of only 40 members in the old land, with a membership of 625.

I am expressing only my personal views when I say that the main issue is the business of the house; and if, as has been proven, that business can be conducted on the basis of a quorum of 20 members, I can see no legitimate or valid reason why at this time we should increase the number from 20 to 30.

The electorate of Canada are not particularly concerned whether it is 20 or 30 or, indeed, 130. They are interested in the results accruing from the deliberations of members of the House of Commons in respect to the welfare of the country.

On motion of Mr. MacDougall the debate was adjourned.

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

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

CRIMINAL CODE

JOINT COMMITTEE TO REPORT ON SPECIFIC MATTERS RELATING TO THE CRIMINAL LAW

The house resumed consideration of the motion of Mr. Garson:

That a joint committee of both houses of parliament be appointed to inquire into and report upon the questions whether the criminal law of Canada relating to (a) capital punishment, (b) corporal punishment or (c) lotteries should be amended in any respect and, if so, in what manner and to what extent:

That 17 members of the House of Commons, to be designated by the house at a later date, be members of the joint committee on the part of this house, and that standing order 65 of the House of Commons be suspended in relation thereto;

That the committee have power to appoint, from among its members, such subcommittees as may be deemed advisable or necessary; to call for persons, papers and records; to sit while the house is sitting and to report from time to time;

That the committee have power to print such papers and evidence from day to day as may be ordered by the committee for the use of the committee and of parliament, and that standing order 64 of the House of Commons be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

(Translation):

Mr. Dufresne: Mr. Speaker, it is not my intention to delay the debate, but, as I stated this afternoon, I would like to give my humble opinion on the matter now before the house.

It is obvious that crime is increasing in Canada as well as in all countries of the world. I shall not attempt to mention all the reasons that lead to crime or to murder.

I shall only say that murders are being committed in the most horrible and even unthinkable way.

As was stated this afternoon during the debate, the murderer kills for motives of vengeance, passion and jealousy. However, one has but to look at the statistics to see that most often theft is the main motive of the crime. The murderer does not usually kill in order to obtain what he needs for his subsistence.

Most of the time, and it is very unfortunate, murderers are young people in their twenties; they are the ones most often accused of murder before our courts.

Those young people want an easy life, without having to work to earn their living; they want to drink, to lead a disorderly life and indulge in immorality. In my opinion, it is not by abolishing capital punishment that we shall succeed in suppressing murder and crime.

However, I believe it is the duty of parents to keep up their efforts and give our young people the necessary advice and especially the example they need, which is indispensable in cases of that kind, so that our young people may take the right path in life and become Canadian citizens worthy of the name.

This afternoon I heard the hon. member for Vancouver East (Mr. Winch) say that he had visited some prisons. I had occasion, a few years ago, to visit the Bordeaux jail. As a matter of fact I once had the opportunity of entering what is called the death cell. Only a few steps away was the trap through which the murderer falls into eternity. Fortunately, when I visited that spot, there was no condemned man inside the cell. Still, I believe that if all young men who are now thinking of embarking on a life of crime, of walking that road which probably will lead them to the scaffold, had the opportunity to see that death cell, to have a look at the gallows on which they will pay for those crimes they are premeditating, fewer of them would feel that they are cut out for a bandit's life.

I feel that now is the time to broadcast a vibrant appeal to the young people of this country, to ask them, not only for the sake of their country's honour but more especially so as not to leave in their family's heart a festering wound, to turn their steps along that road which leads to honour and away from crime and murder.

Educators in our schools, colleges, as well as in our universities, are real apostles in this respect, and I am of the opinion that all our young men should bear in mind the teachings of these educators.

That is why I also believe that parents should continue to look after the education already started in this direction.

There is also another reason which prompted me to rise in this house in order to speak on this matter. In my opinion it is also the duty of the state to analyse the circumstances in which most murders are committed, for, as I was saying a few minutes ago, the motive of the crime is, most of the time, theft. Why does one steal? Because, of course, one has not sufficient means to meet one's obligations—

Mr. Speaker: I regret to interrupt the hon. member, but after having listened to him for several minutes, I patiently expected that he would link up his remarks with this motion concerning the establishment of a committee to consider three things: capital punishment, corporal punishment and lotteries.

If the hon. member wants to give some reasons why he is in favour of capital punishment or of changes in that punishment in order to check crime, it is perfectly in order for him to do so. However, I believe that during these last few minutes he has wandered somewhat from the question which is now before the house.

Mr. Dufresne: I thank you for your remarks. I take due note of them—

Mr. Gauthier (Portneuf): I hope so.

Mr. Dufresne: I beg your pardon? I take due note of them, but if I wandered about a little I may say that I did like the fellow who wants to go to Montreal. As you know two roads lead there, and I may have taken the longer one, but I will get to the motion just the same.

Mr. Pouliot: You did go to Montreal; you mentioned the cell of those who are sentenced to death in Bordeaux.

Mr. Dufresne: Well, it took me a long time to come back to Ottawa, but here I am at last.

Mr. Speaker, I am entirely in favour of setting up a committee where we will have the opportunity of studying the ways and means of checking the crime wave in order to reduce the number of death sentences. One matter which, I believe, could very well

be considered concerns the lack of employment now experienced by thousands of people across Canada and especially in the county which I have the honour of representing. I am of the opinion that the government should also co-operate to bring about the solution of this problem.

As far as lotteries are concerned, the Criminal Code should be amended so as to allow the provinces to organize lotteries, the proceeds of which would be used to give help to hospitals, as well as for relief and, more particularly perhaps, educational purposes.

If my memory serves me right the government of the province of Quebec unanimously adopted—not very long ago—a motion in favour of state lotteries as a means of subsidizing education. Millions of dollars leave this country every year which could be used with advantage right here in Canada and of which our people are being deprived. No one will ever stop our people from gambling. They will never give up the pleasure of betting. In the meantime we are losing millions of dollars to other countries which could otherwise be kept here and be of immense service to education, public welfare and hospitals.

Consequently, I am definitely for the setting up of this committee to ensure that the Criminal Code be amended not to abolish capital punishment but, if possible, to allow for lotteries under provincial sponsorship which would enable us to give our universities, for example, the money they need to meet their obligations and at the same time prevent the federal government from interfering in matters which come under the exclusive jurisdiction of the provinces.

Mr. Jean-François Pouliot (Temiscouata): I shall be brief; I shall say in a few words what I think of this motion.

(Text):

Mr. Speaker, I want to be understood by all my hon. friends. We must consider this matter with an open mind because it is a serious matter. What strikes me is that those ladies and gentlemen who are in favour of the abolition of capital punishment are without any experience in law. They are kindhearted people who consider it wrong to punish a murderer by putting him to death. They have the best intentions in the world, as have those who favour capital punishment. It works both ways.

But they forget that those who have committed murder have not abided by the law and have had no consideration for the neighbour whom they have killed or for the relatives and children of the murdered man. It is a serious matter. Some people seem to be under the impression that if things are left as they are, if there is no change made in the provisions of the Criminal Code with regard to capital punishment, then the members of parliament—I include the members of both houses—will be indicting any man charged with murder and sentencing him to death. That is not the case at all. Far be it from me to think that with the experience I have had as a member of the bar appearing before the bench and the jury box.

What about the jury? The jury is one of the most remarkable and useful institutions in British *corpus juris*, the right of a man to be judged by his peers. The members of the jury are selected for the panel by the attorney general of the province, or under his authority by the local people.

What happens? A murder is committed, not always in connection with theft as was suggested by the hon. gentleman who just spoke. A murder may be inspired by passion, by love, by vice, in connection with kidnapping and rape and the defilement of children. A murder may be committed for many reasons and for many objectives. Are we to be so tenderhearted that when a man commits murder we will be more indulgent toward him than he has been toward those who have suffered at his hands? Shall we forget that by being indulgent toward a man guilty of murder we encourage the idea in the minds of those who may be inclined toward committing murder?

What about the stories we read in the newspapers glamourizing murderers, showing their pictures, describing the colour of their shirts? That is often the treatment given by the newspapers to the man who has killed another man or woman. The press is hideous in giving yellow details about these men who should be ignored, who should be hanged in secret and seclusion. Instead our press appeals to the morbid feelings of the crowd, which is often more rapacious than the people to be found in the wildest part of Africa.

In what sort of age do we live? Why is it that the first thing read by young people is often the headline of a murder trial, the trial of a man who is unworthy of having been born? What about the women who are shameless enough to pack our courtrooms in order to listen to all the details of a murder? In what age do we live? Capital punishment should remain on the statute books as a protection for society. In the past, Mr. Speaker, death was the penalty for rape but the courts have been rather indulgent—is indulgent the word? The courts have been weak in not applying capital punishment to rape. What is the result?

When other hon. members are through I will go on, Mr. Speaker.

Mr. Speaker: Order. Perhaps since the hon. member himself has interrupted his speech I may tell him that I think he is wandering away from the subject. The manner in which the courts deal with the sentences to be given people who have committed different crimes should not, I think, come in at this time. Let us keep our remarks within the ambit of the resolution. I would ask hon. members to keep silent. They may whisper, but they may not speak loudly enough to disturb the hon. member who has the floor.

Mr. Pouliot: I beg your pardon, Mr. Speaker. The matter I was dealing with was capital punishment, and I was explaining to hon. members who do not belong to the legal fraternity as do you and I the role of the jury in the matter of capital punishment. I was also explaining to them that the right of the jury to find a man guilty of murder should remain on the statute books and that the sentence is not given by the jury but by the presiding judge, who has no option. When the jury reaches the verdict that the man before the court is guilty of murder, then it is the duty of the judge to sentence him to be hanged, subject to an appeal to the Minister of Justice (Mr. Garson) who is also the Attorney General of Canada.

But my point, Mr. Speaker, and I want it to be well understood, is that by leaving that provision in the Criminal Code we leave to the jury the right to decide whether or not a man is guilty of murder. In that connection, sir, I cannot but remember what was said to me by no less a criminologist than the late Sir François Lemieux, then chief justice of the superior court of Quebec. He told me that the institution of the jury was the greatest protection and the safest guarantee of freedom of the individual in our country, not only in the province of Quebec but in our country at large, because the Criminal Code applies to each of the provinces of Canada.

That is my point, and when I speak in that way my object is to explain just as clearly as I can to my hon. colleagues that by leaving the Criminal Code as it is, according to the words of a man who knew his business and is remembered as one of the greatest judicial minds of Canada, a man who saved several people from the rope, we are guaranteeing the freedom of the individual in cases of that nature.

Jurymen are chosen from amongst the common people like you and me, sir—I beg your pardon—and they are chosen from all ranks of society. Twelve are chosen, and there is a right to challenge the jury if they are prejudiced. That is another protection. These twelve men are there; they are conscientious, they listen to the grim charge of the crown attorney, then to the plea of the attorney for the defence and then, according to British judicial tradition, there is the charge of the judge who must be impartial, otherwise the verdict is quashed on appeal. That is considerable protection.

My first point in regard to this very serious matter, Mr. Speaker, is that due to the fact that we enjoy the institution of the jury in this country there is no reason at all to change the provision of the Criminal Code concerning capital punishment for murder. I will go further than that. I submit, Mr. Speaker, that capital punishment should be applied to rape, and should be applied to kidnapping and to the defilement of children. We have enough of that. Everyone has in mind the whole story of cases such as that, but I respect you too much, Mr. Speaker, and I respect my colleagues too much to mention those cases in the house. I think every hon. member knows what I am speaking of; and do you not agree, sir, that if capital punishment were applied to rape and to the defilement of children there would be an improvement? In my humble view capital punishment was not enough in some cases about which we have read recently. In the case of the airplane crash that occurred near Quebec not long ago it was not enough.

There is something else, sir, and I will take advantage of this opportunity to speak about it now. I refer to *mens rea*, the guilty intent that must exist for the matter to be murder. Otherwise, as you know, it is only manslaughter. I take this opportunity to mention *en passant* the shameful way in which the police, whether federal, provincial or municipal, try to get confessions of guilt by promising people that they will not be so severely punished if they confess, if they declare themselves guilty. I shall have other occasions to speak about this matter.

To summarize, I find that the present dispositions of the Criminal Code do not go far enough, and I suggest that they should be extended to some other crimes which make us think that our civilization is doomed.

With respect to lotteries, I shall be very brief. There are things that I cannot understand. Those who sell the tickets are denied postal rights. Their names are published in the monthly periodical of the Post Office Department, and they cannot receive letters. Letters addressed to them go to the dead letter section. On the other hand, those who buy tickets and win money have their pictures in the newspapers, and they get their money without any trouble. I find this unfair.

Mr. Knowles: Free of income tax, too.

Mr. Pouliot: Presumably so; I do not know because I have never earned anything that way. But I suggest that the matter should be considered from every angle by the special committee. If it is a bad thing to sell the tickets I do not see how those who are fortunate enough to win can keep the money. It is beyond me. If it is legal to take money from a lottery it should also be legal to sell tickets. I have no personal views about the usefulness of lotteries or whether or not they are very much apropos. They may be. I am not discussing that, but I think our Criminal Code should be fair and should be in accordance with the regulations of the Post Office Department.

This shows that with regard to the Criminal Code, as with regard to any matter, one must exercise a little common sense, and I am sure those who will be members of the committee that is about to study these matters will be endowed with a great deal of it.

Mr. Claude Ellis (Regina City): Mr. Speaker, I want to make a few comments at this time, and I am not going to apologize for not being learned in law because I feel that at times lawyers are very adept at throwing out convenient smokescreens.

I wish to refer to the comments regarding juries. I cannot quite appreciate the view expressed, because my understanding of the law is that the jury finds the accused either guilty or not guilty. It is not for the jury to decide the method of punishment. The jury finds the accused guilty or not guilty, and it is for the judge to impose sentence. Thus I fail to understand the comments by the last speaker about the jury system. I do not think the question of the jury system has anything to do with capital punishment at all. After all, capital punishment is the punishment for a crime.

Mr. Pouliot: If my hon. friend will permit, the role of the jury is to decide whether a man is guilty or not guilty. If it finds him guilty then there has been a murder, and hanging follows. If the jury in all its wisdom says not guilty, it is finished—no murder, no hanging.

Mr. Ellis: Then am I to gather that a jury might feel constrained to find a man not guilty if the jurors were not anxious to see him hanged? That would be the only way the jury could possibly spare a man from the gallows.

Mr. Fulton: Frequently they do.

Mr. Ellis: But my understanding of the law is that if the jury brings in a verdict of guilty the judge has no other recourse than to impose the death sentence. Therefore I quite fail to understand the arguments as to our jury system. What we are concerned with here is the question of punishment, and irrespective of whether or not capital punishment is abolished the same procedures in connection with the apprehension of criminals, their trial and conviction or acquittal will continue. The jury will find the accused either guilty or not guilty. There will be no change whatsoever up to the point where the judge imposes sentence.

When it comes to that stage, I want to suggest in all humility that there are other experts in the country besides lawyers. I suggest that some of our criminologists, penologists, psychologists and psychiatrists—

Mr. Pouliot: Not psychologists; they are no good.

Mr. Ellis: —have much to offer in connection with the important matter of the punishment of those who are found guilty in courts of law. I was rather at a loss to understand all this discussion regarding the jury system. What we are concerned with is the question of punishment, and it seems that there are two basic points of view. There are those who, because of moral or religious reasons, are opposed to capital punishment as a matter of principle. Then there are those who, like the hon. member who just spoke, not only support capital punishment but would extend it. They would turn back the clock, so to speak. We have two very divergent points of view, but I am sure there are many Canadians, and a good many members of the house, who are perhaps unable to come to one or other of these two conclusions.

This afternoon the hon. member for Saskatoon (Mr. Knight) related the long process he went through in formulating his present stand in support of the abolition of capital punishment on balance, I believe he said. I believe there are many Canadians who are wrestling with this question in their consciences, but I feel that the attitude many take is that unless it can be proven conclusively that capital punishment is totally ineffective, the law should remain as it is.

I have done a little reading on this subject and have searched around as much as possible to find evidence one way or the other, and I must say that the preponderance of the evidence I have seen would seem to indicate that capital punishment is not effective. Even if one were not to go that far, but say there is reasonable doubt as to the effectiveness of capital punishment, then I say we ought to err on the side of being humane and civilized in this matter. In other words, the only

justifiable reason for maintaining capital punishment would be that the abolition of capital punishment would throw open the doors and leave this country open to a great increase in the number of murders, as some of our people have suggested. I do not believe that anyone in Canada wants to see anyone hanged or executed in any other way. Only a sadist would get any satisfaction out of seeing a man put to death. I suggest there must be very sound reasons for taking a man's life.

The question that must arise in our minds is simply this, whether or not we agree in principle with capital punishment. Would the removal of it bring about a great increase in crime, particularly with respect to homicide? That is the only justification for the retention of capital punishment. We learn from experience. We know that in those countries where capital punishment has been abolished there has been no increase in homicide. As a matter of fact we know that in Denmark the last murderer was executed in 1892; in Holland the last execution took place in 1860; in Norway, in 1876; in Sweden, in 1909, and in Switzerland, in 1924.

In the years that followed the abolition of the death penalty there was no increase in murder in those countries. Wherever we look throughout the world, the abolition of the death penalty has not been followed by an increase in homicide. Why should we, therefore, believe that in Canada the situation would be very different? If the abolition of the death penalty in Sweden, for example, was not followed by an increase in homicide; if in Norway or Switzerland the abolition of the death penalty did not bring about an increase in murders, what reason have we to suggest that this country will be overrun with murderers the day after we abolished the death penalty? We have no logical reason for believing that.

Without wishing to go into the moral or ethical reasons for the death penalty, pro and con, since the subject was dealt with very effectively by my seatmate, the hon. member for Vancouver East, this afternoon I do want to leave this idea with the house. I hope when the committee meet they will take this attitude. We do not like to take human lives; therefore we will not take human lives unless it is absolutely essential. The burden of bringing proof will not be upon those who want the abolition of capital punishment but upon those who want to retain capital punishment, to prove to the members of this house that we cannot do without it.

I believe the evidence indicates that we can do without it. In any case, I maintain that if there is any reasonable doubt in the minds of the members of this house, and if a mistake is to be made to the slightest degree, let us err on the side of humanity and decency.

Mr. G. W. Montgomery (Victoria-Carleton): I do not intend to take up much time on this subject, Mr. Speaker. The matter has been dealt with thoroughly, in so far as I am concerned, by my colleague the hon. member for Kamloops (Mr. Fulton). Having been a member of the special committee which worked on the bill last session, I feel I should like to say a word about that committee. First, I am one hundred per cent in favour of this committee being set up. The speakers who have preceded me have indicated there is a divergence of view across this country about capital punishment. At the last session the committee wisely recommended that a special committee be set up to study these particular subjects. I am very glad that the minister and the government have seen their way clear to appointing this committee. I imagine it will be given the broadest terms of reference.

If the committee at the last session had left the code as it was, I feel there would have been a lot of criticism. If in the limited time available last winter we had undertaken to deal with these subjects, there would have been much criticism. I feel the committee acted wisely in the recommendations that were made. As I said, I have very little to add to what other members have said. I feel all hon. members should approach this subject with an open mind.

I cannot agree entirely with the hon. member who just spoke that we should consider this whole question of whether or not we should abolish capital punishment on the basis of whether it might reduce or increase crime. I look at it from a different standpoint entirely. Of course I am a lawyer. I have had no great experience in criminal practice, but I have had some. I have a lot of faith in the jury system. I believe the jury system ties in with this subject of the criminal law and with every phase of crime, prosecution and punishment. I believe that people who are accused of crime are well safeguarded under our criminal system as it is at the present time. The prosecution takes a very fair stand, and in most cases places before the court all the evidence, not only against the prisoner but anything known to be in favour of the prisoner which might

permit him to have a fair trial and which is not placed before the court by him or his solicitor, if he has one.

This afternoon the hon. member for Kamloops struck the nail on the head, if I might be permitted to use that expression, when he said the jury system is the greatest protection for the people of this country. I feel it should be carefully studied. I believe it was a fine thing to have this whole matter considered by a committee.

There is just one point I should like to add which I do not think has been touched upon. It may be that the minister intends to have it included in the study anyway. I have not heard anyone mention that this committee might consider also the method of carrying out the executions. A lot of people do not like capital punishment because they do not like the idea of hanging. It seems a gruesome thing. I presume the terms of reference will give this committee the privilege of studying other ways of carrying out the death sentence, if it remains, and making some recommendations about it.

The next point I should like to mention is that the committee ought to consider whether or not these executions should be carried out within the jurisdiction of the court by which the accused is found guilty. It might be a good idea to have these executions carried out in some central prison. I feel that is another subject which might well be considered.

Mr. Garson: The motion covers both those matters.

Mr. Montgomery: Thank you very much. I think that covers about all I have to say, except one more word about the committee on which I worked last year. As a new member of parliament and a junior member on the committee, it was a good education for me. I enjoyed the work very much, under the chairmanship of the hon. member for Essex West (Mr. Brown). That was one committee that worked diligently and faithfully. So far as I know everyone did his best to improve the Criminal Code in every way possible, while at the same time protecting and safeguarding the interests of the country.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I have only a few remarks to make in this debate. Indeed, I rather think perhaps this is not the proper time to have a debate on the subject at all. What we have been hearing this afternoon and this evening would have been better said after we had the report from the committee that is to be set up to deal with the matter.

If the debate this afternoon and this evening has demonstrated one thing more than another, it is that many of those who have taken part in it are certainly not qualified according to our rules to be members of the committee. That does not hold, however, for the hon. member who last spoke. I would say, with him, that I too was glad to have the privilege of serving on the committee on criminal law last year. It was an education in itself.

What troubles me in regard to capital punishment is that if it is a bad thing for one person to take another person's life, then it is also a bad thing for the state to take a person's life. I do not want to be misunderstood, because certainly I have as little use for a man who commits murder as has any other member in the house. But I think today, in our ideas respecting those who violate our laws, we are getting away from the idea of punishment and directing our thoughts more along the lines of the protection of society and reforming the individual.

I appreciate that that cannot very well be done in the case of a person who commits a murder. He must be put away and, for the protection of society, he must be put away for good. I believe it was the hon. member for Regina City (Mr. Ellis) who said that today most people are revolted by the method by which executions are carried out.

I have read some considerable history, and it seems to me that as the human race advances its members become more humane in their dealings with one another. It is really only in that way that one can say the human race does advance. I was interested in what was said by the hon. member for Temiscouata (Mr. Pouliot) when he, as well as others, referred to the protection given by the jury system. I am not sure that the jury system protects anyone. I am, of course, in favour of it; but let us remember this, that in every murder case, or almost every case coming before a jury, the prosecution as well as the defence are chiefly concerned about the calibre of the lawyers representing them. If I had need of a lawyer I would most certainly look for a good one. I believe it was one of our national journals in which appeared recently a story concerning the beginning of the legal career of a prominent member of this House of Commons, which referred to the help given him by the jury in winning his first case. I would like to have a lawyer like that, if it were my misfortune to find myself in a similar circumstance.

The prosecuting attorney tries to impress the jury in one way and the defending

lawyer tries to impress it in the other. Sometimes it is the power to influence that is the deciding factor, rather than the evidence in a case. In almost all murder cases the evidence must of necessity be circumstantial. A person who is about to commit a murder does not publicize or advertise it, so that people will come around to see it. He proceeds in a quite different way. The result is that lawyers and juries must make as intelligent guesses as they can as to what has happened and, on the basis of those guesses, bring in a verdict of guilt or innocence, involving hanging or acquittal.

These are some of the reasons I find it hard to accept capital punishment at all. I think we should get away from the idea of punishment and think more in terms of protecting society. In my view the hon. member for Temiscouata was on more dangerous ground when he advocated the extension of capital punishment to the crimes of rape and kidnapping. While I am not an authority or an expert in these matters, like most hon. members in the house I have read the opinions of others who have studied these matters and who are convinced that there would be fewer murders in connection with kidnapping if kidnapping itself was not a crime punishable by death. The same is true in the matter of rape.

How does that apply? If the person injured were going to lay a complaint, her evidence would be convincing. But dead people do not lay complaints and, in order to prevent such a person laying a complaint, murder follows the first crime. That, I believe, is the way the criminal mind works. To make the death penalty apply would not diminish the number of such crimes. I do not believe anyone who commits any of these crimes is ever in an emotional condition to consider the pros and cons of what may happen to him or to her, as the case may be, if he or she does what he or she has in mind. I do not believe anyone can accept that idea.

However, I am glad the Minister of Justice is setting up the committee. Regardless of what it may find, it will be good for the people of Canada to study the matter and to hear what is to be said on both sides of the question. Experts as well as laymen are interested in this matter. We all want to do the best we can for the society in which we live and so advance that society that we can diminish those anti-social acts that call for punishment.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, before this debate is closed I do want to say something about the subject that has most actively engaged the attention of hon. members in their comments about this committee. I do not propose to make any remarks about the two very important subjects of corporal punishment and lotteries. They have been adequately covered, particularly by the hon. member for Kamloops (Mr. Fulton); but I do want to speak about the discussion in regard to capital punishment, particularly as it has taken form here this evening.

What has been said by the hon. member for Kamloops and by the other hon. members who have raised certain questions here has not been in opposition to this motion. I recognize that the Minister of Justice (Mr. Garson) has been well aware of that from the time the discussion began. It would not be proper for the members of this house at this time to seek to tie the hands of the committee that they will appoint on the adoption of this motion, if it is adopted, as it would appear that it will be, I should think, unanimously. Nevertheless, the way in which this committee does its work, the way in which it approaches the subject, may very well be guided in some degree at least by the attitude expressed toward the subject matter of its inquiry.

The committee will doubtless hear different views, and the different views which have been expressed here will undoubtedly be expressed again when that committee meets. In the examination of the witnesses and in the calling of evidence undoubtedly different approaches will be suggested by different members of the committee. It may well be, however, that if the members of the committee became convinced that one point of view or another was clearly the point of view of the members of the house, they might in some measure seek to anticipate that point of view. It is with that thought in mind that I wish to make a few remarks in regard to capital punishment.

This is a moral question. It is a question that deals with the right of any human being, individually or collectively in the form of society itself, to deal with any matter that may arise, to deal with any guilt that has been proved, by depriving some other human being of life itself. Capital punishment is a terrible thing. It is not inappropriate that the full horror of capital punishment should be discussed, as it has been discussed here in dramatic terms today. It is appropriate that we should bear in mind exactly what it is that the parliament of Canada is permitting the courts to do after a man or a woman is found guilty of a capital offence.

By all means let us hope that the committee to be appointed by this resolution will consider this subject from the most enlightened and civilized point of view.

But, Mr. Speaker, let us remember that there would be no death penalty if there were no murders. The death penalty is a terrible thing, and so is murder, an act by an individual who has defied the laws of society and not merely deprived some innocent individual of life but perhaps for the long years ahead will have brought tragedy and despair and the denial of the ordinary decencies of life to the wife and the children of one who has been shot down in cold blood by thugs who have armed themselves, perhaps not with the idea of murder but reckless as to what the results will be.

Yes, by all means let us examine this in a most civilized way. It may be that with the advancement of society some better method will be found but, Mr. Speaker, let any approach to this subject have first and foremost in the minds of those considering it the fact that what we are trying to do today is place it within the power of our courts to prevent murder by the example of the punishment that is inflicted. I personally do not believe the statement that the fear of death is not a deterrent. I personally do not believe that some young man, conscious of the fact that death would be the result of his reckless use of weapons, would not think twice of taking that weapon on some adventure that might result in death and in his own punishment for a capital offence. It is contrary to everything we know in human nature to think that anyone looking at that pistol or knife and taking it in his hand would do so without some thought of what the penalty will be if the adventure in which he is about to engage should result in death and a subsequent conviction for murder.

We have had a number of rather dramatic examples in this country of the kind of thing that should be in the minds of the members of the committee—and which I hope will be in the minds of the majority of the members of that committee—in making their recommendations back to this house. Already the hon. member for Temiscouata (Mr. Pouliot) referred to that almost unbelievable multiple murder when a time bomb was placed in a passenger aircraft flying from the city of Quebec to Sept Iles. An almost unbelievable murder it was. To murder his own wife a man followed a course which meant death to many innocent human beings. Those 21 people who died left behind widows and children who for long years to come will have reason to remember that horror.

Just think of what happened only a few days ago in St. Michael's hospital in Toronto, when a brilliant young girl was murdered in a laboratory of that great hospital. Certainly let us remember that if the man or woman who committed that murder is apprehended the courts will be dealing with a human being; but remember also that the young woman who was murdered was a human being performing a humane task of great advantage and of great importance to many people in that hospital. Think of the bank manager in the province of Quebec who before Christmas was shot down by young men who perhaps did not contemplate murder, but having guns in their hands used those weapons when the bank manager resisted the theft they were trying to carry out.

From one end of this country to the other reports come to us of crimes of violence against decent, simple human beings whose lives are of immense importance to other decent human beings. The purpose of parliament and the purpose of the committee which will make its recommendations to parliament should be to do everything within the judgment of sensible men and women to discourage in every way possible that type of horror which affects such a wide area of our society when it occurs.

I am not laying down any dogmatic opinion in regard to the death penalty, but I do say that if there is going to be a balanced consideration of the humanities, let that consideration rest on the innocent people who are being shot down or knifed or otherwise destroyed. Let us think in terms of how we can best prevent that by example, if that can be done in any way.

There have been strangely conflicting arguments and certain statements which I do not think should pass without notice. I heard, as did other hon. members, the statement that it is a terrible thing to think of people engaging in the gruesome pleasure of taking social revenge. No one is contemplating the gruesome pleasure of social revenge. What we are considering is every sensible step that may be taken to end the gruesome horror of cold-blooded murder.

There have been some conflicting arguments presented. I do not question for one moment the good faith of those advancing the arguments, but I suggest that they be reviewed by those who have put them forward. On the one hand we were told that the thought of life imprisonment was even more terrifying than the death penalty. We had scarcely been told that when all the horrors of the contemplation of the death penalty

were pictured to our minds. I think the latter was the correct interpretation.

It is a horrible thing; but to the extent that the death penalty may act as a deterrent, then everyone on this committee and in this house should be most reluctant to change the law as it now stands until he has heard more convincing evidence than has yet been submitted. That may come, and if it does come I have no doubt the committee will listen and give careful consideration to what is said; but I would hope that the very natural instinct of humanity to look with consideration toward any other human being will not be carried to the extent of doing anything that will make it more likely that young men will put weapons in their pockets, carry knives or do those things that have brought so much tragedy to this and other countries.

I am not overlooking one thing that was mentioned by one hon. member here today. I am not overlooking the fact that some murders are committed by those whose condition has been brought about by alcohol. That very fact imposes upon those who are charged with any responsibility in that respect the duty of exercising the greatest caution and the greatest restraint that can be exercised in regard to the abuse of alcohol. The record is clear. I think there are many instances of violence by those crazed with alcohol. With that in mind an attempt should be made to follow a course that will discourage people carrying lethal weapons, and to keep before the minds of those who may be engaged in some other enterprises the dangers of following a course that may carry them to murder itself.

The trend in this country should not be a trend that will throw the doors open wider to crimes of violence of any kind, but rather in this country of ours our first thought should be of those decent citizens who at all times should be protected.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my colleagues the hon. member for Vancouver East (Mr. Winch), the hon. member for Saskatoon (Mr. Knight), the hon. member for Regina City (Mr. Ellis) and the hon. member for Vancouver-Kingsway (Mr. MacInnis) have expressed views on this question of capital punishment with which I agree. Therefore I shall not take the time of the house to repeat any arguments which they have put forward. However, in view of the way in which this debate has gone I feel constrained to rise and make what I think is an additional argument in support of the abolition of capital punishment.

Before I indicate the additional argument which I wish to make I want to say that I am glad the Minister of Justice (Mr. Garson) has made the proposal that a joint committee be established to go into this and other questions. I certainly hope that the consideration given to these questions by that committee will be objective. I express that hope despite the trend of the discussion back and forth in the house this afternoon and evening. As I listened, not only to the speeches that have been made but to the volume of applause on one side rather than the other, it has appeared to me that maybe the case is weighted on one side even before the committee meets.

Mr. Garson: Mr. Speaker, I wonder if I might in the friendliest way possible raise a point of order which I perhaps should have raised at a much earlier stage in the debate. The motion which is before the house at the present time is to set up a committee which, if it is to do its duty effectively, must approach its task in the most objective manner. The sole question is whether that committee will be set up or not set up. I should think that in relation to that subject a debate upon the merits or demerits of capital punishment would be of all debates most calculated to prejudice in advance the efforts of the committee.

In saying this I am in complete agreement with the remarks just made by the hon. member for Winnipeg North Centre (Mr. Knowles). I wonder if the hon. member, with a concern for order that perhaps not all of us are able to equal, will not be one of the first to deal with the subject which is under discussion, that is whether we shall or shall not set up this committee. If we set up the committee, I think everyone in the house will agree that it will get off to a much better start in its important task if the water has not been muddied by acrimonious debate on the merits or demerits of the subject matter upon which the committee will try to decide and report.

Mr. Knowles: On the point of order which has been raised by the Minister of Justice (Mr. Garson) I must say, Mr. Speaker, that I might have found it easier to go along with him if he had raised it much earlier in the day, in fact if he had raised it during the course of the first speech that went into the substance of the question of capital punishment. I might also have found it easier to go along with him if he had not indicated, when he was anxious to get the debate closed on the motion for second reading of Bill No. 7, that there would be an opportunity to discuss the question of capital punishment on this motion to appoint a committee.

Mr. Garson: On a point of privilege, Mr. Speaker, I am not suggesting for a moment

that the question of capital punishment should not be discussed, but I think in keeping with the motion in connection with which it is now being discussed it would be more appropriate and helpful if it could be discussed at this stage in as noncommittal a manner as possible.

Mr. Knowles: Mr. Speaker, I do not know whether this is a point of order on which Your Honour feels compelled to rule.

Mr. Speaker: I think what the minister has in mind is that hon. members in speaking to the substance of various points which are later to be examined by the committee should not oppose the principle, and that not too many members who might later be selected as members of the committee should declare that they are opposed to certain principles and therefore go with blind eyes or very open eyes along the lines they intend to follow and have announced in the house they intend to follow. I think he had in mind citation 529 of Beauchesne's third edition, where it states that a member who is totally opposed to certain particulars of a bill or a motion may be excluded from a committee. His point was perhaps not so much one of order but rather a point of wisdom.

Mr. Knowles: I think there is wisdom in the position that you have taken, Mr. Speaker, with respect to this point of order, and I think also there is much to be said for the contention by the Minister of Justice that the water has been muddied a good deal today. As a matter of fact, although it is a very common expression on the part of members that they did not intend to speak, I did not intend to speak myself until the Leader of the Opposition (Mr. Drew) waxed so warm on the other side of the question than that which I take.

I said when I started that I did not intend to repeat any of the arguments put forward already today by my colleagues to whom I have referred, but there is one point that kept coming to my mind as I listened to the hon. member for Temiscouata (Mr. Pouliot) and the Leader of the Opposition. They and other members say that before we abolish capital punishment we must consider society; we must be concerned with the protection of society, and we must not, if I may quote the hon. member for Temiscouata, be too indulgent with murderers.

I could not agree more. I am not asking for indulgence for murderers; I am not asking that we disregard the rights of society. What I am concerned about, and I can say it very briefly, is what the practice of capital punishment does to society.

I am far more concerned with that than I am with what it does or does not do to the convicted murderer. The hon. member for Temiscouata referred to some of the recent instances of trials for murder and the newspaper publicity that was given to the executions that took place, and he used the word "barbarous" in relation to the way people act at such times. That is what capital punishment does, regardless of what it does to the accused or convicted murderer. It makes society that much more barbarous.

I think there are other ways of dealing with this question and protecting society from further murder by the same individuals. I think there are other ways in which to try to get rid of murder and that is through reforms, through the removal of some of the causes that lead to murder, for even after it has taken place capital punishment does not bring back the life that has been taken. Whatever it may or may not do for the murderer it brutalizes society; it makes us a barbarous group of people, and I think we have moved on to a point where for our own sake we can devise a better way of dealing with this serious question.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, it was the hon. member for Temiscouata (Mr. Pouliot) who brought me to my feet. I did not intend to speak, but I felt it was time to protest when I heard the hon. member suggest that only those who are members of the legal profession really have an opinion that is worth anything on this question. I would submit to you, Mr. Speaker, that this is not a legal question; it is a statistical and moral question. As far as I am aware the legal profession does not give any particular study to the study of statistics, and I think it would be a very bold member of the legal profession who would suggest that they are entirely the palladium of all moral virtues.

It has been suggested by those who have spoken in this debate that we must bear in mind the suffering and bereavement of the family of a murdered man or woman. That is quite right. We should certainly bear that always in mind. But I am at a loss to understand just how their condition would be improved and how their woes would be relieved by hanging the person who was directly responsible for their tribulations. I think we should face that fact quite plainly, and those who suggest that as an argument for capital punishment should realize they have one motive and one motive only. That is the motive of revenge, because it serves no useful purpose and does no good to the

victim of the murderer. What you are seeking to do is to relieve your emotional antagonism toward the murderer by an act of revenge.

It will be said, of course, that when we think of the bereaved family of a murdered person we should think in terms of protecting society so that other families will not meet the same fate. It is all very well for the Leader of the Opposition (Mr. Drew) to say that he does not believe the death penalty is not a deterrent to murder. He, of course, is entitled to his belief and his opinion; but there are those of us who prefer to base our opinion upon statistical evidence, and all the statistical evidence available to students tells us without a single exception that there is no correlation whatever between the death penalty and the incidence of homicide.

I would suggest that no case can be made out either for or against capital punishment on the basis of its relationship to the incidence of murder, and I think had my colleague from Vancouver East (Mr. Winch) pursued his remarks with regard to those states of the American union which have abolished the death penalty—you will recall he showed us where the level of incidence of homicide remained unchanged—and had he compared these states with the other states in the union where the death penalty is still imposed we would have found—in fact I saw the same study to which he referred—that the incidence of homicide is dependent entirely on other factors.

These factors largely appear to be the educational and economic status of the various regions. In regions where the educational and economic status is such as to encourage homicide you can have all the death penalties you like and you will not reduce the homicides, and in those regions where the educational and economic level is such as to discourage homicide you will not increase the homicides if you abolish the death penalty.

Like my colleague the hon. member for Winnipeg North Centre (Mr. Knowles), I also am more concerned with the effect upon society as a whole of the use of capital punishment than I am with the effect on the convicted person. I do not think I can be alone among the people of Canada—in fact I know very well I am not—when I have a feeling of guilty horror every time I hear of someone condemned to death in our law courts. I am not able to escape that feeling of guilty horror, and I am convinced that there are many thousands, if not hundreds of thousands, of my fellow Canadians who suffer that same feeling of guilty horror that the only way we have yet evolved of dealing with the problem of homicide is to kill the murderer, in spite of the evidence that it does not reduce the incidence of homicide, and the clear evidence in front of our faces that it does nothing whatever to relieve the condition of the family of the murdered person.

Surely, Mr. Speaker, it is not good enough to suggest, as I heard suggested here not long ago, that perhaps in the future, when Canadian society has progressed further than its present point, we may be able to do away with the death penalty. Doing away with the death penalty will be evidence of our advancement and our progress. Its retention will be evidence of our determination to remain back in the dark ages which guard this question of homicide.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker—

Mr. Speaker: If the minister speaks now, he will close the debate.

Mr. Garson: In closing the debate I think the first point I should make is to refer to the occasion for this motion, which was the report of the special committee of the House of Commons of the last parliament on its Bill No. 93, the Criminal Code consolidation bill. On that occasion the committee reported as follows:

> The committee, upon the material before it, was not prepared to recommend a change in the present law respecting the defence of insanity, lotteries and the imposition of punishment by whipping and by sentence of death, but unanimously has come to the conclusion, and so recommends, that the governor general in council give consideration to the appointment of a royal commission, or to the submission to parliament of a proposal to set up a joint parliamentary committee of the Senate and the House of Commons—

—to consider and report upon these matters. Like other members, I was very much impressed by the excellent speeches which have been made during the course of the debate, but it did seem to me that if any stranger had come into our midst during its course he would have been drawn to the almost irresistible conclusion that the resolution before the house was whether or not we should continue capital punishment. What we are seeking to do here, I suggest, is not to prejudge the matter at all but to send it to a committee to get that evidence without which the special House of Commons committee of the last parliament was unwilling to change the present law, because its members did not feel they could take that responsibility until the matter had been more carefully investigated.

For that reason I think the expression of strong views in the present debate is not particularly helpful. Perhaps some of us have preconceived ideas upon this subject; but if we are going to take the trouble of sending this matter to a committee—and I gather from the tenor of the discussion that most hon. members are in favour of doing so—there is not much purpose in our doing so unless we are going to at least preserve a sufficiently open mind that we can consider in a reasonably objective manner the material that comes before the committee and is then reported by the committee to the house.

I dealt with this question of whether a committee should be set up in a previous debate, and I mention this because I was criticized by the hon. member for Kamloops (Mr. Fulton) for not doing so in the present debate. My arguments can be found at pages 939, 940, 941 and 942 of *Hansard* of December 15, 1953. I do not think I can add anything to them at the present time, and therefore I should like to use the time available to me in replying to some of the points raised by those taking part in this debate which I think deserve some explanatory comment.

One of the points which was mentioned by the hon. member for Vancouver East (Mr. Winch), if I remember rightly, was as to the fact that in the states of the United States where capital punishment had been abolished the homicide rate was, if I remember him correctly, the order of about half that of the average of those states which retained capital punishment. I do suggest—and in this respect I think I am in complete agreement with the hon. member for Nanaimo (Mr. Cameron)—that when one is using statistics of this sort he must, before he can claim the conclusions from them which were claimed by the hon. member for Vancouver East, be in a position to say that all of the other factors in the states not having capital punishment on the one hand and in those having capital punishment on the other, were equal. Obviously they were not because some of them were agricultural, some of them were industrial, some of them had huge cities with their higher crime rate than rural areas, and some of them were in the north and some in the south.

I think the opinion of the British commission was that conclusions based upon statistical material have to be received with a very great deal of caution indeed.

There is one point we have to keep in mind throughout this whole question. I do not think it can be better expressed than in the very wise words which were once used by a former governor general of this country when he said that to be simple in an unsimple matter is the surest road to confusion. We have in this question of the proper punishment for murder an exceedingly unsimple matter, and when the hon. member for Regina City (Mr. Ellis) makes the statement that in all the places in the world where they have abolished capital punishment they have had a favourable homicide rate and fine conditions, I suggest that that is a rather simple argument in an unsimple matter. It also lacks the merit of being accurate, because if he will examine the British report, for example at page 345, he will see there listed ten states of the United States which, having abolished capital punishment, felt by reason of the condition which followed its abolition that it was necessary to restore capital punishment, and they did restore it.

Now, if the hon. member makes his statement apply to the world as a whole he takes in those states; and those states, whether they were right or wrong—

Mr. Ellis: On a point of order, Mr. Speaker, I named certain states. I did not say the entire world. I named the states of Norway and Denmark and I referred to specific states.

Mr. Garson: *Hansard* will record what the hon. member said, but I distinctly recall him saying there was no place in the world that did not show that when capital punishment was abolished, the homicide rate declined and conditions improved. I am not going to suggest for a moment, here or before the committee or elsewhere, that because these states, having tried out the abolition of capital punishment in some cases for as short a period as two years, restored capital punishment and with one single exception kept it restored, that that in itself is necessarily a strong argument in favour of capital punishment. I suggest this question is far too unsimple to lend itself to rather simple types of argument such as this.

One of the important things we have to bear in mind is this. The Criminal Code as it stands today, in relation to almost every other offence, allows the courts a very wide discretion with regard to the penalty which they may impose. It is true that in both Canada and the United Kingdom the death penalty can be imposed for offences other than murder. One of these is rape although we are proposing to abolish this death penalty for rape in the new Criminal Code consolidation bill. In practice the mandatory sentence of death has been imposed during peacetime only for the crime of murder.

While other offences allow a wide discretion to the court as between minimum and

maximum to fit the penalty to the moral obliquity of the offence committed, murder is the only one in which the court has no discretion but to impose the mandatory death sentence. Yet it is true, and it seems to me that this is one of the important branches of the problem that we must consider carefully before the joint committee, that there are few offences in any country which vary so widely as murder in character and in culpability.

I do not want to refer to any facts in Canada, because those are facts which will doubtless come before the committee. I do not want to say anything here tonight that will in any way prejudice the committee's ability to give this matter the most careful and judicious consideration. I have, however, abstracted from the British report these facts: Of 50 cases of murder that occurred in the United Kingdom during the 20 years from 1931 to 1951 the convicted persons were men, women, girls, youths, and some hardly older than children. Some were normal, some neurotic, some epileptic or insane. In each case the mentally abnormal differed in their abnormality. So far as the crime itself was concerned it varied all the way from a crime which called more for pity than censure to other crimes of the most brutal and callous character. They may have occurred in the heat of passion, or they may have occurred with the greatest premeditation.

I think it was my hon. friend the member for Fort William (Mr. McIvor) who asked what were the causes of murder. In this study which was prepared by the British commission it showed the following motives "springing from weakness as often as from wickedness": cupidity, revenge, love, jealousy, anger, fear, pity, despair, duty, self-righteousness, political or religious fanaticism. In some cases they were unable to find any intelligible motive at all. I think, therefore, that we have here a matter of very great difficulty indeed. We have to consider in what way and under what circumstances we can, with safety to society and fairness to those upon whom the crime of murder has been committed and their relatives, make this rigid and mandatory death sentence more flexible to fit the crime and the culpability of the individual accused.

When I say that, I would be leaving quite a wrong impression if I did not indicate that there are some modifying factors to the rigidity of this punishment at the present time. There are four important factors. First of all the crown prosecutor of the provincial attorney general's department can consider the facts which have been laid before him, and has discretion to choose between laying a charge of murder or some lesser offence such as manslaughter or criminal negligence.

Mr. Deputy Speaker: Order. I listened with great interest to the point of order which the Minister of Justice raised while the hon. member for Winnipeg North Centre (Mr. Knowles) was speaking. I am wondering if the minister does not agree that he is transgressing his own point of order?

Mr. Knowles: Is this a case of hanging Haman on the gallows he built for Mordecai?

Mr. Garson: I would be the first to admit, Mr. Speaker, the validity of the point which Your Honour has raised. I believe however that in this debate the record has been rather heavily loaded with what from my point of view I must regard as erroneous material. It would be in the interest of all concerned that these points should be corrected. Moreover I claim this additional measure of validity for what I am now saying, that this is the question which is to go before the joint committee, and not some of the things that have been said by opposition members.

Mr. Knowles: The resolution does not say that.

Mr. Garson: Yes, it does. If the hon. member will read it he will see that it says the committee is to consider the law relating to these subject matters and to say in what way that law shall be changed.

It is quite true that the judgment of the crown prosecutor in that respect is not necessarily final because the magistrate can commit for murder, even although the offence charged was a lesser offence. In practice, however, the crown prosecutor's judgment usually prevails.

Then the jury not only has the opportunity of exercising its judgment with regard to whether the offence has been committed beyond a reasonable doubt. If it has any doubt at all it can acquit completely. But if the jury have convicted, perhaps reluctantly, they have the power which the hon. member for Regina City left out in his remarks, and a very important power, of making a recommendation for mercy. This is a recommendation which carries a great deal of weight indeed, especially if concurred in by the trial judge. It goes to the Minister of Justice, who takes careful note of it in his recommendation to the governor general in council, as to whether or not capital punishment will be actually inflicted, or commuted to life imprisonment. Then the accused has the right to appeal the conviction registered against him. This appeal can be taken to

the provincial appeal court; and if unsuccessful there, if there is one dissenting judge the accused can take a further appeal to the Supreme Court of Canada.

In the great majority of cases—in more than 75 per cent of cases in the last five years—that right of appeal has been exercised. If in all these appeal proceedings the conviction is quashed because of legal irregularity or because there has been a miscarriage of justice, the effect, so far as the accused is concerned, is that he does not undergo capital punishment. While it is true that the appeal judges do not reach their judgments upon the basis of mercy, or anything of that sort—they base their views purely upon legal questions—these judgments if favourable do have the same effect upon the accused as if mercy had been extended to him.

But if the conviction is sustained against the accused, then whether he has any friend and no matter how black his record may be, no matter whether he has a lawyer acting for him, he is not permitted to suffer the supreme penalty of death until his case has come before the whole cabinet and has been considered by it in a regular cabinet meeting, at which it is item No. 1 on the agenda.

When I say that his case is considered I mean that, first, there is before the cabinet a stenographic transcript prepared by the court reporter of the whole trial proceedings, including all the evidence and the judge's charge, as well as trials within the trial. Second, there is also placed before the cabinet the official record of the case, and the judgments of the judges of the court of appeal or of the Supreme Court of Canada, in those cases in which such appeals have been launched. Then, third, there is a complete report by the trial judge of the course of the trial, with his and the jury's recommendation, if any, for mercy, which he is required to submit within 15 days. Fourth, there is also a report from the police, and fifth a report from the warden of the gaol in which the accused has been detained pending execution. Then, whether any applications for commutation have been made or not, this entire case comes before the remissions branch of the Department of Justice and is carefully gone through by its officers, whose report is submitted to the minister who, I can assure you, spends a great deal of time in going through it again before placing it before the cabinet.

So the result is that of all who have been committed in the first place, a very large percentage are either acquitted by the jury or succeed in their appeals, or have their death penalties commuted. In the five-year period from 1946 to 1950 there were 267 murder charges laid in Canada. Of this number 138 were acquitted by the jury. Of those who were convicted, in 39 cases the convictions were set aside by courts of appeal or for reasons of insanity. This leaves 90 as being subject to the death penalty. Of this number the death penalty was commuted in 28 cases and execution was carried out in 62 cases. This was out of a total of 267 who had been charged with murder.

So while a stranger reading the Criminal Code might think there was harshness and rigidity in connection with the death penalty, in actual practice there is a great deal of justice and mercy accorded to accused persons. And it is for this reason that the committee which sat at the time of the last parliament, in considering this matter, felt that without having the matter investigated further in some detail by a committee of parliament, representing both the House of Commons and the Senate, they did not wish to take upon their shoulders the responsibility for changing the present law upon this subject.

Now, concerning the other matters—

Mr. Knowles: Before leaving this matter of capital punishment I wonder if the minister would permit a question—and, in passing, I would say that it would have been helpful if we had had his statement earlier this afternoon. However, I am now concerned about the minister's statement that what this committee will be dealing with will be merely possible changes in the criminal law with respect to capital punishment. Does he imply by that statement that arguments for or against capital punishment itself are not also to be considered by the committee?

Mr. Garson: Oh, no. I do not know whether my hon. friend has in front of him the motion I moved earlier. However, if he will look at page 958 of *Hansard* for December 15 he will see that, in part, my motion is as follows:

> Resolved, that a joint committee of both houses of parliament be appointed to inquire into and report upon the questions whether the criminal law of Canada relating to (a) capital punishment, (b) corporal punishment or (c) lotteries should be amended in any respect and, if so, in what manner and to what extent:

There is no limitation there.

Mr. Knowles: It includes the possible abolition of capital punishment, if the committee is so inclined?

Mr. Garson: Yes, because it is a question of amending the law. It is not a reference such as that which formed the basis for the inquiry in Great Britain.

Mr. Knowles: That is satisfactory. What the minister said a moment ago left some doubt in our minds. What he now says is clear.

Mr. Garson: I think I should record the fact that the government which set up the inquiry in Great Britain was the Attlee government. Mr. Attlee made it very clear in the House of Commons that the commission did not have the power to recommend against capital punishment. But the committee will have that power in this reference. Not only will it have that power, but it will have the power to cover the point mentioned by the hon. member for Victoria-Carleton (Mr. Montgomery), namely the method of capital punishment. It is noteworthy in that connection that the British report was to the effect that if capital punishment was to be retained the present method of hanging was the least unsatisfactory of all methods that might be employed, although they did suggest that lethal injections might be considered.

The other matter raised by the hon. member for Victoria-Carleton is covered by this wide reference. So I think upon these grounds, no matter what one's views may be either for or against capital punishment, there are very substantial reasons why it is wise to send the matter to the committee.

Mr. Fulton: What is the government's policy on lotteries?

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

Motion agreed to.

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

HOUSE OF COMMONS

Wednesday, January 13, 1954

The house met at 2.30 p.m.

VACANCIES

Mr. Speaker: I have the honour to inform the house that I have received communications from several members notifying me that the following vacancies have occurred in the representation, viz.:

Of Joseph-Celestin Nadon, Esquire, member for the electoral district of Gatineau, by decease.

Of Paul-Emile Cote, Esquire, member for the electoral district of Verdun, consequent upon his acceptance of an office of emolument under the crown.

Accordingly I have issued my warrant to the chief electoral officer to make out new writs of election for the said electoral districts.

(Translation):

THE LATE J. C. NADON

TRIBUTE TO THE LATE MEMBER FOR GATINEAU

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, you have just officially acquainted us with the fact that it is now necessary to elect a new member for the electoral district of Gatineau. A few hours after we had separated to spend Christmas and New Year's day with our families, we heard the sad news of the death of our colleague, Joseph Celestin Nadon, member for Gatineau.

This premature and unexpected death, which took place on December 17 last, has not only deeply affected the members of his family and his electors, but, no doubt, every member of this house who had come to know Mr. Nadon and to appreciate him since his election to this house in 1949.

Mr. Nadon was born at Ste. Famille d'Aumond, on January 11, 1899.

At Maniwaki, where he spent the greatest part of his life, and throughout Gatineau county, he took an active part in numerous social organizations where he always distinguished himself by his activity and devotion. He was elected to the Quebec legislative assembly in 1939 and re-elected in 1944. In October 1949 when a by-election was held he was elected to the House of Commons and re-elected at the last general election.

Mr. Nadon was appreciated by the electors of Gatineau county as well as by all those who knew him for his untiring activity, his good judgment and his great devotion to the welfare of his fellow citizens. He was a hard and conscientious worker whose persevering efforts brought him great success in business; in politics he always showed the same activity and the same steadfastness of purpose, never neglecting a request or sparing his efforts to render all possible services.

My first personal contacts with Mr. Nadon go back to the period when he was mayor of Maniwaki and I was practising law in Quebec city. We spent long months together to straighten out property deeds at Maniwaki. It was land that had been part of an Indian reserve and that had been surrendered to the crown. The surrender had naturally been made with the agreement of the federal government and the latter had issued deeds to the occupants. Now, as a result of a decision of the privy council in a case that will be remembered by several members who invoked its authority, it was decided that when land was abandoned by an Indian band, the right of property passed to the crown in the right of the province where the said lands were located. That caused rather deep anxiety among the land owners of Maniwaki. Through untiring efforts that lasted several months, Mr. Nadon succeeded in obtaining the co-operation of the two governments to settle the matter for those land owners and ensure them that the validity of their deeds could never be contested.

That is only one example of Mr. Nadon's efforts on behalf of his fellow citizens.

I am sure that all hon. members of the house join me in paying tribute to a man who faithfully devoted himself to the welfare of all his fellow citizens and in expressing our sincere and deep sympathy to his wife and children.

(Text):

Hon. George A. Drew (Leader of the Opposition): I know that every member of the house, Mr. Speaker, will join with the remarks of the Prime Minister in extending to Madame Nadon, and the family of the late member for Gatineau, the sympathy of all those with

The late J. C. Nadon

whom he has been associated since he entered this house in 1949. At that time, when he came here, following the appointment of the present Clerk of the House, he established a wide circle of friends, and to all of us it was a great shock to learn of the sudden and tragic death that removed him from the house. As has been pointed out by the Prime Minister (Mr. St. Laurent), like so many other members he served his own community well and in many capacities before entering the House of Commons. As mayor, chosen by his own people, he had been closely associated with their lives.

In addition to the very deep sympathy we all express to his family, there is also our sympathy to the community with which he has been so long associated.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, my colleagues and I join with the Prime Minister and the Leader of the Opposition in expressing to the late Mr. Nadon's family our sympathy in the loss they have sustained. I noted by the press the day after the house rose for the Christmas adjournment that Mr. Nadon had passed away.

It is always a very sad occasion when we have to record the passing of one of our colleagues in the house. Mr. Nadon came here in 1949 after, as the Prime Minister has said, serving his community as mayor and in many other capacities. While here he enjoyed the friendship of many members in the house. On behalf of those associated with me I extend to the Prime Minister, the government and the Liberal party our sympathy in the loss of one of their colleagues, and to the family our deep sympathy in the loss they have sustained.

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to say on behalf of the group I represent that we are always very sorry when a fellow member in the house passes. We get to know some members better than others, it is true; but, just the same, we do form here splendid fellowships and do not like to see them broken.

In this instance we understand that Mr. Nadon was a good public servant and well loved by his own people. We therefore extend our sympathy now to his family in their sad bereavement, and to the Prime Minister and the members of the Liberal party our sympathy in their loss of a good follower and supporter in the House of Commons.

MACHINERY AND APPARATUS

EXEMPTIONS OF COMMODITIES FROM EXCISE TAX ACT

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, pursuant to the order of the house of December 7, 1953, on the motion of the hon. member for Winnipeg North Centre (Mr. Knowles) concerning exemptions of machinery and apparatus as provided for in schedule III to the Excise Tax Act, I am now submitting a copy of a general résumé which the Minister of National Revenue authorized the deputy minister to issue on October 20, 1945, seven days after the exemption was provided for in the budget speech.

This most comprehensive list, which embraces approximately twelve pages of foolscap, did not of course attempt to cover all industries. However, it did define items on which requests for decisions had been made in the intervening period of seven days, and provided a general policy for officers of the department and those affected to follow.

Having regard to the large number of items of machinery and apparatus used in the manufacturing and producing industries of Canada, the hon. member will appreciate the great diversity of articles on which information has to be supplied. The department does not keep separately in its files correspondence dealing with specific requests for interpretations; and the amount of time necessary to examine all correspondence dealt with since January 1, 1951, in order to abstract that dealing with this particular question, would require placing a considerable part of the staff of my department on this work, added to which would be the stenographic help necessary in order to make copies of these lists concerned.

On the ground of economy it is hoped the hon. member will accept the information I am tabling as essentially a compliance with his request. I now wish to table this report.

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the minister whether the summary which he has now tabled in response to an order of the house of December 7 includes anything that might be called a "copy of any general definition of machinery and apparatus made by the Minister of National Revenue in conformity with the requirements of schedule III to the Excise Tax Act"?

Mr. McCann: It does not include what might be called a general definition, because we find that it is impossible to give a general definition of the many tens of thousands of articles of machinery and apparatus. These have been ad hoc decisions.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 119, for the relief of Esther Smilovitch Benjamin.—Mr. Croll.

Bill No. 120, for the relief of Shirley Ann Slayton Dubuc.—Mr. Weir.

Bill No. 121, for the relief of Grace Mary Harrison Laycock.—Mr. Weir.

Bill No. 122, for the relief of Lawrence Druxerman.—Mr. Croll.

Bill No. 123, for the relief of Shirley Catherine Bradley Boyd.—Mr. Croll.

Bill No. 124, for the relief of Ferdinand Nunes, otherwise known as Ferdinand Numes. —Mr. Weir.

Bill No. 125, for the relief of Sarah Estephanie Debonnaire Johnson.—Mr. Weir.

Bill No. 126, for the relief of Sarah Ida Rishikof Neidik.—Mr. Croll.

Bill No. 127, for the relief of Harold Goldstein.—Mr. Croll.

Bill No. 128, for the relief of Mary Kathleen Hayes MacDonald.—Mr. Croll.

Bill No. 129, for the relief of Dorothy Elizabeth Brewin Lovegrove.—Mr. Weir.

Bill No. 130, for the relief of Barbara Jean White Simpson.—Mr. Weir.

Bill No. 131, for the relief of Donald George Kirk.—Mr. Weir.

Bill No. 132, for the relief of Joseph Wilmott Albert Parmenter.—Mr. Weir.

Bill No. 133, for the relief of Margaret Agnes Dupont Legault.—Mr. Croll.

Bill No. 134, for the relief of Jack Merson. —Mr. Croll.

Bill No. 135, for the relief of Philip George Ralph Anley.—Mr. Croll.

Bill No. 136, for the relief of Rebecca Joyce Isobel Hahn Vengroff.—Mr. Croll.

Bill No. 137, for the relief of Mary Szabowska Skowron, otherwise known as Marie Szabowska Skowron.—Mr. Croll.

Bill No. 138, for the relief of George Arthur Crittenden.—Mr. Croll.

Bill No. 139, for the relief of Evangeline Emma Bonner Dancsak.—Mr. Croll.

Bill No. 140, for the relief of Reginald George Silversides.—Mr. Weir.

Bill No. 141, for the relief of John Partridge.—Mr. Croll.

Bill No. 142, for the relief of Jacques Labonte.—Mr Weir.

Bill No. 143, for the relief of Laura Solow Schwartz.—Mr. Croll.

Bill No. 144, for the relief of Leona Kuprasz Veremchuk.—Mr. Croll.

Bill No. 145, for the relief of Mary Bernice Patricia Mullins Coristine.—Mr. Weir.

Bill No. 146, for the relief of Evelyn Saxe Harris.—Mr. Croll.

Bill No. 147, for the relief of Catharina Elizabeth van de Casteel Fortune.—Mr. Weir.

Bill No. 148, for the relief of Hazel Viola Christena Darey Moore.—Mr. Weir.

Bill No. 149, for the relief of Leontine Pelletier Lamothe.—Mr. Croll.

Bill No. 150, for the relief of Lillian Hazel Welch Alexander.—Mr. Croll.

Bill No. 151, for the relief of Therese Perrier Langlois.—Mr. Croll.

Bill No. 152, for the relief of Anita Eleanor London Lewy.—Mr. Croll.

Bill No. 153, for the relief of Norma Patricia Cooke Campbell.—Mr. Croll.

Bill No. 154, for the relief of Alexandra Morgoci Cucu.—Mr. Croll.

Bill No. 155, for the relief of Daisy Helen Dean Harpes.—Mr. Croll.

Bill No. 156, for the relief of Gerald Gaudet.—Mr. Croll.

Bill No. 157, for the relief of Genevieve Mary Emily McGuire Carragher.—Mr. Croll.

Bill No. 158, for the relief of Sydney Silverman.—Mr. Croll.

Bill No. 159, for the relief of Joseph Lucien Nadon.—Mr. Croll.

Bill No. 160, for the relief of Patricia Louise Noseworthy St. Laurent.—Mr. Croll.

Bill No. 161, for the relief of Joseph Octave Leopold Richer.—Mr. Croll.

Bill No. 162, for the relief of George Gerald Patterson.—Mr. Croll.

Bill No. 163, for the relief of Marcel Berube. —Mr. Croll.

Bill No. 164, for the relief of Gertrude MacDonald Watt.—Mr. Croll.

Bill No. 165, for the relief of Claire Pierrette Desrochers Dixon.—Mr. Croll.

Bill No. 166, for the relief of Fernand Laurin.—Mr. Croll.

QUESTIONS

CANADIAN NATIONAL RAILWAYS—COAL PURCHASES

Mr. Brooks:

1. What quantity of coal for use by the Canadian National Railways was purchased and shipped per month in 1952 and to date in 1953, to the following points: Chipman, South Devon, Napudogan, Langley and Edmundston in the province of New Brunswick, and Estcourt, Monk and Armagh, in the province of Quebec?

2. How much was purchased per month for the above periods, (a) from New Brunswick sources; (b) from Nova Scotia; (c) from other sources?

Mr. Chevrier: Mr. Speaker, I have a statement I should like to make on this question. It will be noted that the question asks for the quantity of coal for use by the Canadian National Railways purchased and shipped per month in 1952 and to date, in 1953, to eight consuming points in New Brunswick and Quebec.

The management of the Canadian National Railways inform me that only at considerable clerical expense and at great inconvenience to themselves could the information

requested be produced. Should this work be undertaken, the management feel that they would be faced with requests for similar information in respect of every other coal-consuming point in the system. The railways point out that this compilation would place a heavy burden upon the staff, and that it could not be done without extra expense being incurred. I hope the hon. member will appreciate the information that the railways have passed on to me, and that under the circumstances he will see fit to drop the question.

Mr. Brooks: The railways have passed on no information to the member, and I would like to have that information. I would be very pleased to discuss the matter further with the minister, but I do not feel like having the question dropped at the present time.

Mr. Chevrier: I am not in a position to answer the question. I can only reiterate the statement I have made, which has been passed on to me, namely, that the answering of the question would entail considerable expense and inconvenience and the collection of a great deal of information.

Mr. Brooks: Mr. Speaker, the argument that this information may be asked by many points across Canada does not hold water. It is asked for a particular reason in New Brunswick and Quebec, and I believe only those points are concerned. The people there are anxious to have the information and I, too, wish to have the question answered.

Mr. Chevrier: I am afraid I cannot give any other answer.

Mr. Speaker: Question number two, answered.

Some hon. Members: No.

Mr. Speaker: Stands?

Mr. Chevrier: The question cannot stand as it is. I am not able to give any further information than I have given. The house well knows that the practice of the Canadian National Railways, one that has been accepted in the house for years, is that if information of this nature is required it may be asked at a sitting of the committee on railways and shipping. That has been the practice for years. The hon. member is a member of that committee, and he can seek from the president of the Canadian National Railways, or from other officers who are there, information other than that which I may not be able to give. But if the question remains on the order paper I shall not be able to answer it, any more than I am at the present time.

[Mr. Chevrier.]

Mr. Brooks: I must object to having it answered in that way.

Mr. Speaker: Order. The hon. member has put a question on the order paper. The minister could have answered either verbally, as he did, or in writing. He did answer it verbally, and if he says that is the only way that he can answer it now, the question cannot stand. It must be declared as having been answered. That is the position that one must take.

Mr. Drew: Mr. Speaker, I submit that this is a case for you to decide as to whether the procedure of the house is being complied with. A question has been asked. There is no suggestion that it is an improper question. The minister has stated that it cannot be answered, and then almost immediately afterwards has stated that it can be answered at another time. If it can be answered at another time, then it can be answered now, unless there is some reason, which has not been presented, why it should not now be answered.

Mr. St. Laurent: Mr. Speaker, the reason why it cannot be answered now is quite apparent. The Canadian National Railways is not a department of government. Hon. members are entitled to ask the government for the information it has at its disposal. I do not know whether the house can make an order that would be effective on the Canadian National Railways that they supply that information at this time. There has never been any attempt to reach a definite rule about that; but the practice has been that when hon. members want that kind of information, which is not a part of the government records, they ask for it when the officials of the railway company appear before the committee.

If it is felt that any company which is recognized as a crown corporation should be compelled to answer any question about its affairs that is raised in the house, perhaps that could be dealt with by the committee which has been set up to assist Your Honour in drafting rules; but the present rule is that the questions that are put have to be answered from the information that is in the possession of the government, and we have not got that.

Now, should there be an order that the records of the railway be kept in another fashion or tabulated in another fashion, that is something that can be considered; but in view of the statement that has been made that we have not got the information, the minister who reports to parliament in connection with transport has set out everything that appears on the records of the government.

Mr. Drew: Mr. Speaker, since I raised the point as to the way in which this question

has been put forward, and that there has been no suggestion that it was an improper question, I should like to follow up what the Prime Minister has said by pointing out that this is not something that affects procedure or accounting or anything of that kind which reasonably might wait until the representatives of the railway are before the committee. This asks for specific information which undoubtedly from the records of the company could be given at the request of the government, which after all is in a position to obtain that information. And I would point out that it is in the nature of information that would be useful to us now for the purpose of such discussion as might follow in the house in relation to this subject. I would suggest that this stand, if only for the purpose of giving consideration to the desirability of drawing some distinction between questions of this nature, which ask for information easily obtainable, and questions in regard to details which will be embraced in subsequent accounts which perhaps might be difficult to obtain separately from those which would be put forward at the time the officials are present in the committee.

Mr. St. Laurent: I think we all realize that the railway officials are anxious to maintain good relations with the members of parliament. They come before parliament every year with their financial budget. They have given that explanation. They will know the manner in which their explanation has been received in the house. Perhaps if Your Honour has no objection to allowing the question to stand it might stand. They will know how their attitude has been received in the house, and we know that they are anxious to maintain good relations with parliament as well as with the public.

Mr. Brooks: I should like to ask the minister a supplementary question. Is it not true that the fuel board has all this information, and that that board is under a department of government?

Mr. Chevrier: Well—

Mr. Speaker: Before the minister answers this question may I say that I think the procedure which is now being followed is most irregular. We are dealing with written questions. There are further supplementary questions which may be asked later, but that will be done when the orders of the day are called. I should like to remind hon. members of citation 307 of Beauchesne's Parliamentary Rules and Forms, third edition, which reads as follows:

> A minister may decline to answer a question without stating the reason for his refusal, and insistence on an answer is out of order, no debate being allowed.

If the minister wishes to have the question regarded as having been answered, although the answer may not be satisfactory to some hon. members, I will have to declare the question answered. If he wishes to have it stand, I will say "stand".

Mr. Chevrier: I feel I must maintain the original position which I took, namely that the question is answered.

Mr. Speaker: Answered.

ELECTION SPEECHES—CENSORSHIP

Mr. Goode:

1. Has the government any knowledge of an order to submit texts of speeches, before delivery, to the police, during the 1953 general election?
2. If so, what were the circumstances?

He said: There has been an exchange of correspondence between the minister and me, and I am fully advised of the position. I thank the minister for his co-operation, and I ask that this question be dropped.

Mr. Speaker: Dropped.

THE NATIONAL DEBT

Mr. Johnston (Bow River):

1. What amount of interest has been paid on the national debt up to date?
2. What has been the cost of reservicing the debt up to date?
3. What amount of interest has been paid, during each of the last ten years?
4. What has been the cost of reservicing the debt for each of the last ten years?

Mr. Benidickson:

1. Fiscal years 1868 to 1953 — $8,045,608,184.29.

2. Fiscal years 1868 to 1953—servicing of public debt, cost of issuing new loans and annual amortization of bond discounts and commissions—$329,219,003.01.

3. Fiscal year ended March 31: 1944, $242,681,180.44; 1945, $318,994,820.53; 1946, $409,134,501.56; 1947, $464,394,876.26; 1948, $455,455,203.64; 1949, $465,137,957.94; 1950, $439,816,334.54; 1951, $425,217,500.07; 1952, $519,933,150.54(*); 1953, $451,339,521.22.

(*) Includes $87,510,008.24 required to place interest on public debt on an accrual basis.

4. Servicing of public debt, cost of issuing new loans and annual amortization of bond discounts and commissions on loans:

Fiscal year ended March 31: 1944, $19,457,838.66; 1945, $20,851,590.99; 1946, $28,481,141.53; 1947, $12,816,939.82; 1948, $11,269,583.39; 1949, $10,076,063,66; 1950, $11,023,388.92; 1951, $13,802,798.95; 1952, $11,101,658.85; 1953, $13,579,715.87.

Balance at March 31, 1953, of discount and commissions on loans remaining to be amortized over term of loans—$60,659,578.84.

Questions

GOVERNMENT COMMUNICATIONS, B.C.—SALE

Mr. Leboe:

1. Has the British Columbia Telephone Company purchased from the federal government any or all of the telephone and telegraph lines and equipment held by the government?
2. If so, what was the purchase price?
3. Was an appraisal of the assets made, and by whom?
4. If this transaction was made, what provision is there for the continuation of employees?

Mr. Langlois (Gaspe):

1. Approval in principle, subject to negotiation with respect to conditions, has been given to the sale to the British Columbia Telephone Company of the telephone facilities of the British Columbia division, government telegraph and telephone service, excluding the long distance system between Prince George and Prince Rupert.

2. $750,000, subject to the answer to question No. 1.

3. Yes, appraisals were made by the Department of Transport, British Columbia Telephone Company and Canadian National Telegraphs.

4. It is not possible to answer this question now as details are being worked out at this time.

MARPOLE-SEA ISLAND, B.C. BRIDGE

Mr. Winch:

1. Has the federal government or any department thereof been in consultation with the government of British Columbia or the city of Vancouver relative to the construction of a bridge between Marpole and Sea island?
2. If so, at what stage are the consultations and what representations, if any, have been made by the government or department with respect to this construction?

Mr. Bourget:

1. There has been an exchange of correspondence between the minister of public works of British Columbia and the Acting Minister of Public Works, Ottawa, in 1953.

2. The Minister of Public Works inquired if the federal government would make any financial contribution towards the cost of this bridge. The reply was given that it was considered there was no federal responsibility in this matter.

TAXATION AND INCOME—THREE RIVERS AND SHAWINIGAN FALLS, QUE.

Mr. Balcer:

1. What was the total number of declared taxable returns for the taxation year 1951 for the city of Trois-Rivieres, Quebec?
2. For the city of Shawinigan Falls, Quebec?
3. What were the amounts for each of these two cities?
4. What was the total earned income declared in that taxation year for these two cities?

Mr. McCann:

1, 2, 3 and 4. In so far as individuals are concerned, the following is a statement of the information requested.

1951 Taxation Year

City	Total number of declared taxable returns	Total amount of income declared	Total amount of earned income declared
Trois-Rivieres	7,410	$23,595,000	$22,759,000
Shawinigan Falls (including Arvida)	8,310	$28,526,000	$27,765,000

With respect to corporations, no similar statistical information is maintained by the taxation division.

NO. 5 WORKS COMPANY—TECHNICAL OFFICER

Mr. Dufresne:

1. Who is the technical officer (administration) of No. 5 works company, R.C.E., Quebec city?
2. When was he appointed?
3. What is his salary?
4. What previous service, if any, had he with the armed forces of Canada?
5. In what civil service category is his position classified?
6. Was the position advertised for public competition?
7. Was any investigation conducted to ascertain if any person serving in No. 5 works company, R.C.E., was qualified for promotion to the position? If so, what was the result?
8. Since the said appointment, have any senior members of No. 5 works company, R.C.E., resigned?
9. If so, who and for what reason?

Mr. Blanchette:

1. Mr. Arsene Gerard Leblanc.

2. March 17, 1953.

3. $4,560 per annum.

4. He has had no service with the armed forces of Canada.

5. Technical officer grade 4.

6. Yes.

7. Yes. In accordance with normal practice, the personal qualifications and experience of the staff on strength was reviewed but no one had the qualifications required by the position. An open competition was held in which any person possessing the required qualifications was free to enter.

8. No.

9. Not applicable.

TRADE AGREEMENTS WITH COMMUNIST COUNTRIES

Mr. Holowach:

1. Do trade agreements exist between Canada and Poland, Czechoslovakia, Hungary, Bulgaria and communist China?

2. If so, what are the principal items of export to these countries?

3. What was the total value of exports to each of these countries, during the past year?

4. How many pounds of aluminum have been sent to these countries, during each of the years 1950, 1951, 1952 and to date in 1953?

5. What was the total value of these shipments of aluminum?

Mr. Howe (Port Arthur):

1. Trade agreements exist between Canada and Poland, Czechoslovakia and communist China. Canada has no trade agreements in force with Hungary or Bulgaria.

Canada and Poland exchange most favoured nation tariff treatment under a convention of commerce effective August 15, 1936, which also provides for schedules tariff concessions applicable to specified goods.

Canada and Czechoslovakia are contracting parties to the general agreement on tariffs and trade.

Canada entered into a *modus vivendi* with nationalist China in 1946 providing for the exchange of most favoured nation tariff treatment and this agreement is still in existence.

2. During the period January 1 to September 30, 1953, the following were the principal items of export to these countries:

Poland: lard, $121,477; medicinal preparations, $12,966; settlers' effects, $6,240; donations and gifts, $6,500.

Czechoslovakia: medicinal preparations, $82,180; settlers' effects, $2,370; donations and gifts, $768.

Hungary: sweet clover seed, $4,536; crested wheat grass seed, $1,221; grass seed, n.o.p., $4,500.

Bulgaria: donations and gifts, $453.

Communist China: nil.

Questions

3. The value of exports to these countries during the calendar year 1952 and the period January 1 to September 30, 1953, was as follows:—

	Year 1952	Jan. 1 to Sept. 30, 1953
Poland	$ 69,351	$147,423
Czechoslovakia	366,629	85,368
Hungary	81,305	48,255
Bulgaria	2,305	453
Communist China	**	—

**Not separately recorded prior to January 1, 1953.

4 and 5. Aluminum shipments to these countries were as follows:

Calendar year 1950	Cwt.	Value
Poland	53,185	$748,150
Czechoslovakia	28,896	503,849
Hungary	—	—
Bulgaria	—	—
China, including Taiwan	30,089	479,113

During the calendar years 1951 and 1952 and during the period January 1 to September 30, 1953, there were no shipments of aluminum to these countries.

FEDERAL BUILDING, EDMONTON—PURCHASE OF PROPERTIES

Mr. Holowach:

1. How many properties have been purchased by the Department of Public Works for the proposed construction of the federal building in Edmonton?

2. What is the total amount paid to date for these properties?

3. How many properties are still to be purchased and the estimated cost?

4. Have any of these been expropriated and come before the Exchequer Court for decision?

5. If so, what are the names and addresses of persons whose property has been expropriated?

Mr. Bourget:

1. Eleven properties have been expropriated and one acquired by exchange with the city of Edmonton.

2. $219,719.07.

3. Four properties remain to be expropriated at an estimated cost of $101,000.

4. (a) Answered by No. 1; (b) None of the four remaining expropriations has yet been referred to the Exchequer Court.

5. Grace G. Pettet, 9845-108th St., Edmonton; David Ross Stone and Jessie Wilson Stone, 9819-108th St., Edmonton; A. G. Campbell, 9845-108th St., Edmonton; Canadian Branch of the St. John Ambulance Association, 9843-108th St., Edmonton; Jake Bourson, 9832-107th St., Edmonton; Iva Grace McMillan, 9828-107th St., Edmonton; Helen C. Day, 9822-107th St., Edmonton; Sigwart Sussel and

Anne Sussel, 9827-108th St., Edmonton; Jean McCallum, John McCallum, Margaret McCallum and Finley McCallum, 9829-108th St., Edmonton; Margaret McCallum, Jean McCallum, John McCallum and Finley McCallum, 9829-108th St., Edmonton; James Lingas, 9818-107th St., Edmonton.

TEMPORARY MASTERS' CERTIFICATES

Mr. Herridge:

1. How many temporary certificates have been issued to persons acting as masters of passenger vessels operating in coastal, inland or minor waters, in British Columbia, under section 125 of the Canada Shipping Act, for the years (a) 1947; (b) 1948; (c) 1949; (d) 1950; (e) 1951; (f) 1952; (g) 1953 to November 1?
2. Were any of these temporary certificates renewed for more than 1 year?
3. If so (a) how many; (b) on what grounds in each case?

Mr. Langlois (Gaspe):

1. (a) 1947, nil; (b) 1948, 2; (c) 1949, 6; (d) 1950, 9; (e) 1951, 11; (f) 1952, 13; (g) 1953, 13.

2 and 3. Yes. (a) One certificate was renewed for four years in succession and two certificates were renewed for three years in succession; (b) on renewal of application by holder, and under the provisions of section 125 of the Canada Shipping Act.

NATIONAL CAPITAL PLAN—MR. GREBER

Mr. Hodgson:

1. Have any changes been made in personnel engaged to advise in connection with the national capital plan?
2. If so, what changes and when did these become effective?
3. Is Mr. Greber still employed in this capacity and at what salary?
4. What was paid to Mr. Greber during the years 1952 and 1953 to date, covering expenses in connection with his work for the national capital plan?
5. Is Mr. Greber a citizen of Canada? If not, of what country?
6. What has been the total cost to date in connection with the national plan?

Mr. St. Laurent:

1. No.
2. None.
3. Yes—$2,000 per year.
4. $16,106.
5. No—France.
6. $694,233.

GRAIN—SHIPMENTS FROM SASKATCHEWAN POINTS

Mr. Argue:

How many railway carloads of grain were shipped, during each week from August 1 to October 31, 1953, from the following Saskatchewan marketing points, Bengough, Ogema, Avonlea?

[Mr. Bourget.]

Mr. Howe (Port Arthur):

The following number of carloads of grain were shipped each week from August 1 to October 31, 1953, from Bengough, Ogema and Avonlea:

Week		Bengough	Ogema	Avonlea
		—cars—		
August	1- 8	5	3	28
"	9-15	1	0	6
"	16-22	1	4	10
"	23-29	11	0	8
"	30-Sept. 5	8	0	5
Sept.	6-12	1	2	5
"	13-19	2	8	1
"	20-26	3	8	12
"	27-Oct. 3	3	7	4
Oct.	4-10	11	3	14
"	11-17	9	1	15
"	18-24	2	0	6
"	25-31	6	1	6

QUESTIONS PASSED AS ORDERS FOR RETURNS

CHILDREN OF WAR DEAD EDUCATION—APPLICANTS

Mr. Balcom:

How many applicants, since July 1, 1953, have been approved for assistance under the new education assistance act for children of deceased veterans; (a) male; (b) female; (c) from each province; (d) from each of the services, and civilians; (e) analysis by occupational goal of students?

Mr. Bennett: Return tabled.

WORLD AFFAIRS STUDIES

Mr. Hansell:

1. Does the government sponsor courses of studies, or lectures in universities, schools, or any other institutions, on world affairs, United Nations Organization or world government?
2. Has any appropriation ever been made to the Banff school of fine arts or any of its activities?

Mr. Pickersgill: Return tabled.

MOTIONS FOR PAPERS

GAGETOWN TRAINING AREA—HOUSING SCHEME

Mr. Brooks:

For a copy of all correspondence, communications and agreements between any department of the federal government and the city of Fredericton concerning any housing scheme in connection with the Gagetown military training area.

Mr. Pickersgill: I have made inquiries of all the departments which might have information to comply with this motion, and there is none. I would hope therefore that the hon. gentleman would allow the motion to be dropped. If he prefers to have it passed I am quite prepared to have it pass, and I will make a return saying that there is nothing.

Mr. Brooks: Mr. Speaker, a return has already been made saying that there is nothing.

Mr. Speaker: Dropped.

GOVERNMENT COMMUNICATIONS, B.C.—SALE

Mr. Fulton:

For a copy of all correspondence, telegrams and memoranda exchanged between the government, the department or Minister of Transport, or any other official or agent of the government on the one hand, and (a) the British Columbia Telephone Company; (b) the Canadian National Telegraph Company, on the other hand, regarding the sale to the telephone company and the telegraph company respectively of the government telegraph and telephone system in British Columbia and the Yukon.

Mr. Chevrier: I had understood from the hon. gentleman that if he were to receive certain information in answer to questions that he put on the order paper earlier he would be disposed to withdraw this notice of motion. On December 23 I sent the hon. member a letter which I hoped would answer his questions or at least those that we were in a position to answer in the department at that time. I am just wondering if he has had an opportunity to consider that letter.

Mr. Fulton: Mr. Speaker, I think perhaps I should express regret to the minister for not having discussed this matter with him earlier today, but I did not have an opportunity to do so. I do recall that there was something along the lines of what he has stated to the house, but I was a little surprised to receive answers to my questions in the form of a letter instead of having them answered so that the record might be available either in *Votes and Proceedings* or in *Hansard*. It is that point which I should like to consider before following up this matter any further. Therefore, by leave of the house, I wonder if at this stage I might ask that the motion stand.

Mr. Chevrier: That is quite satisfactory.

Mr. Speaker: Motion stands.

FLOOD DAMAGES, MANITOBA—ASSISTANCE TO FARMERS

Mr. Zaplitny:

For a copy of all letters, telegrams, memoranda and other communications exchanged between the Department of Agriculture and/or any branch thereof and Mr. W. J. Ward, of Dauphin, Manitoba, from July 1, 1953 to date, referring to prairie farm assistance and/or emergency assistance to farmers who have suffered flood damages in Manitoba.

The Ministry

THE MINISTRY

ANNOUNCEMENT OF APPOINTMENT OF HON. W. ROSS MACDONALD AS SOLICITOR GENERAL

Right Hon. L. S. St. Laurent (Prime Minister): We are now passing to what in reality, on a private members' day, constitutes the orders of the day, so I wonder if I might have the unanimous consent of the house to make a short statement about an administrative change in the government.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. St. Laurent: Since my colleague, Hon. Ralph Campney, was appointed associate defence minister he has found that the discharge of his duties as such has left him very little time to assist the Minister of Justice (Mr. Garson) as Solicitor General. He has asked to be relieved of the responsibilities of the office of Solicitor General. His resignation has been accepted and His Excellency the Governor General has approved the recommendation that Hon. W. Ross Macdonald be appointed Solicitor General and assume the duties of that office in addition to his present duties as member of the government without portfolio and as leader of the government in the Senate. I should like to lay on the table of the house a copy of the appropriate order in council to that effect which was passed yesterday.

BRIDGES

VICTORIA AND JACQUES CARTIER—PROPOSED ABOLITION OF TOLLS

Mr. Hector Dupuis (St. Mary) moved:

That, in the opinion of this house, the government should consider the advisability of entering into negotiations with the government of the province of Quebec for the purpose of reaching a mutual agreement for the abolition of tolls on the Jacques Cartier and Victoria bridges.

(Translation):

He said: Mr. Speaker, this is not the first time the subject matter of this motion has been brought before the house. As early as 1946, my hon. friend, the member for Chambly-Rouville (Mr. Pinard) placed on the order paper a motion along the same lines. He renewed his attempt several times but in spite of all his efforts and his well known talent no progress has been made. I myself have repeatedly asked that we grant the requests of the citizens of the province of Quebec and especially those of the city of Montreal and of the municipalities and towns of the south shore of the St. Lawrence who, for many years, have been calling for the abolition of tolls on the Jacques Cartier and Victoria bridges.

The motion I submit is somewhat different from those which were placed on the order paper in the past. It merely asks the government to consider the advisability of entering into negotiations with the government of the province of Quebec for the purpose of reaching an agreement for the abolition of tolls on these two bridges, and in particular on the Jacques Cartier bridge, the province of Quebec being party to a contract signed by the national harbours board, the province of Quebec and the city of Montreal.

Such an agreement would not establish a precedent since, a few years ago—in 1928, if I am not mistaken—the province of Quebec was authorized, through a separate agreement, to use the Quebec bridge and build on it a vehicular road. At any event, before 1948 the province of Quebec had abolished all bridge tolls. Well, the new contract provided that the province was authorized to build a second vehicular road but that no tolls would be collected. After negotiations between the two governments the Quebec bridge ceased to be a toll bridge.

One might say that it would be difficult to negotiate with the Quebec government when the latter refuses to honour its obligations in connection with the Jacques Cartier bridge.

We know that by virtue of a tripartite contract between the national harbours board, the government of the province of Quebec and the city of Montreal the two latter are supposed to pay part of the deficit resulting from the operating costs of the bridge, interest on the debentures issued at the time the bridge was built, as well as other expenses.

That share was not to exceed the sum of $150,000 per year for each of the two parties. They have acquitted themselves of their obligations until around 1944 when they stopped paying the amounts due. Legal proceedings were brought against the city of Montreal, to recover the money owing, by the national harbours board which won the case. Judgment was passed against the city and it has paid since an amount approximating one million dollars, representing the arrears owing. Will the national harbours board have to proceed in the same way against the province of Quebec for the same purpose? I do not know.

I should like to express the hope, however, that a friendly settlement may be effected out of court. I should think the provincial government would seek to meet its obligations like every other government. To my mind it would be possible to arrive at some generally acceptable understanding through a meeting between the federal and provincial authorities, at which the city of Montreal would be represented. It should be possible to achieve once more the result obtained in the case of the Quebec bridge, as long as every interested party is willing to show the understanding necessary to the solution of this matter, at least in the case of the Jacques Cartier bridge.

Now, as far as Victoria bridge is concerned, I am of the opinion that the federal government alone can do away with the toll charges, since the province of Quebec and the city of Montreal are under no contractual obligation in this regard.

As far as the settlement of this matter is concerned, that is with regard to the abolition of toll charges on the Jacques Cartier bridge, it must be remembered that the city of Montreal alone has paid nearly $3 million to cover the deficit incurred and that the province of Quebec will have disbursed as much once it has paid the million or so dollars still owing according to the terms of the contract I have mentioned.

I would not like to be harsh in my remarks, but I believe it is time to put a stop to this unfair treatment which is being inflicted upon the people of Montreal and of neighbouring municipalities. I do not know of any other place in Canada where people are required to pay toll charges for the use of federal bridges or of those of the Canadian National or again of those of the national harbours board.

As I have already pointed out during previous debates on this matter, the development which has taken place, in the course of the last ten years, along the south shore of the St. Lawrence, has been tremendous. It is sufficient to recall, to mention one place in particular, that the town of Jacques Cartier, which is 5 or 6 miles from Montreal and which, in 1940, had a population of only 700 to 800 has now a population of nearly 35,000. The majority of them are workers who have left Montreal and who have built themselves small houses in this locality.

They work for the most part in Montreal, so that they have to cross over one of the two bridges, which means heavy expenses for them, as they cross over at least twice a day. Those who own cars—perhaps I should say jalopies—give rides to other workers who

also have to pay the toll charged the passengers in all vehicles, with the sole exception of those who use a public bus.

I can also add that Longueuil, Montreal South, St. Lambert and other municipalities on the south shore of the St. Lawrence have seen a tremendous increase in population during those years.

One can easily see the burden which these thousands of taxpayers have to carry. They are charged a sort of indirect tax while everywhere else people can cross any bridge without having to pay a cent.

And what about the thousands of Montrealers who use that bridge many times a day? They also have grounds for complaining about such an anomaly which puts upon them charges of which residents of the other communities of the province of Quebec and of all other provinces are exempt.

I know the cost of building the Jacques Cartier bridge was very high, reaching the amount of $18 million, and that there is still a considerable amount outstanding. Yet conditions were the same with regard to the Quebec bridge, on which the toll was abolished.

In 1928, the province of Quebec was authorized by the Canadian National Railways to build a vehicular road on the bridge, on certain conditions. It was also allowed to charge a toll for automobiles and passengers. This toll was put into effect and abolished a few years later, as it was on all other bridges belonging to the province of Quebec. In 1948, the latter was authorized to build another vehicular road; this time the permit stipulated that no toll should be charged. At the time of both agreements, the province of Quebec was to assume the maintenance of both vehicular roads, and establish a sinking fund with regard to these two roads. Although the bridge was the property of the Canadian National Railways, an agreement was signed between the Canadian government—not the Canadian National—and the government of the province of Quebec. As I was saying, it was a matter of paying interest on the amount spent for building this road and of setting up a sinking fund which, if I remember rightly, was not to exceed $400,000.

Should the government accept my point of view and meet with the provincial authorities in order to work out an agreement on the matter of tolls on the Jacques Cartier and Victoria bridges, I believe the contract signed in relation to the Quebec bridge could be used as a basis for discussion. An estimate could perhaps be made of the cost of the vehicular road on the bridge to find out the amount of capital invested for that purpose. It would then be easy to agree on an amount, a reasonable rate of interest and to set up a sinking fund which would eventually reimburse the national harbours board for part of the amount expended for the construction of this bridge.

As far as the Jacques Cartier bridge is concerned, I am sure the situation is different from that of the Victoria bridge. Indeed, I am wondering if the Jacques Cartier bridge would ever have been built if the province had not been willing to assume certain responsibilities together with the city of Montreal. The contract must be respected but consideration must be given to the situation in which the users find themselves.

I deem it advisable to make a thorough study of that contract, and to negotiate a new agreement which would satisfy all the parties interested and more particularly the citizens of the province of Quebec and of Montreal. I am wondering whether the citizens of Montreal should really have to do more than anybody else in the province of Quebec toward meeting the deficit. I repeat that this was admissible in 1930 when it was a matter of building the bridge, but now the operating deficit has been reduced, and, taking into consideration the possibility of such an agreement with the province of Quebec, I believe that the city of Montreal should not be forced, in such a case—no more than Longueuil and adjoining municipalities, Outremont for instance, the mayor of which is here with us—some day or other to make good the deficits created through a tax assessment established by the metropolitan district for the whole island of Montreal. I do not wish to raise that question because I would be out of order; I am simply reminding the house that the city of Montreal should not have to pay anything whatsoever for the upkeep of the bridge or for the maintenance of a sinking fund.

Therefore, in my humble opinion, nothing would prevent us from obtaining, following negotiations in which everybody would show sufficient good will, the same results which were brought about when the problem of the Quebec bridge was taken up. In my humble opinion, the present problem would be even easier to solve.

If I am not mistaken, the initial cost of the bridge has long since been repaid. The hon. Minister of Transport (Mr. Chevrier) shakes his head. Even if it has not been entirely repaid, the city of Montreal has been called upon long enough to give financial help to the Canadian National Railways in so far as the use of that bridge is concerned. Let us not forget that a toll is collected from the users of the Victoria bridge, that obsolete structure which, everybody will admit, is no longer adequate for that part of the city, with its heavy traffic.

Every time I think of it, I am amazed to see that the citizens of Montreal, in particular, and the people of part of the province, in general, are forced to contribute to the income of the Canadian National Railways. Can anyone mention another instance where Canadians have to contribute to the income of that railway and to pay for the use of bridges belonging to that company. If there is such a case, I will deem it my duty to ask for the people concerned the same consideration I am now asking for those whose rights are being encroached upon, for the users of the Victoria bridge.

Why should we pay for the use of that bridge when we can use without charge other bridges belonging to the Canadian National?

Two bridges built by the Grand Trunk railroad, one of the companies that preceded the Canadian National, now belong to the Canadian National; they are located at the eastern end of Montreal island and they have been used until recent years for horse-drawn vehicles and automobiles. Yet nobody ever thought of levying toll charges on those bridges. I am referring to the bridge that connects Montreal island to Charlemagne and the one that connects Charlemagne to Repentigny.

We used them for several years—as all those who live in Montreal and the vicinity very well know—before the new bridge was built by the provincial government and nobody ever paid for using the bridges, although they are the property of the Canadian National, just like Victoria bridge. It is useless to go back several years past in order to try and find who decided to levy toll charges on Victoria bridge. Perhaps the reasons put forward at that time justified the levying of such charges. But those reasons cannot hold today when the financial situation regarding the cost of erecting the bridge has greatly improved, even though it may not be entirely paid for, because I am convinced that it is not far from being so.

Mr. Speaker, it is unfair to tax, and I repeat the word tax, indirectly the citizens of Montreal and the vicinity in order to increase the revenues of the Canadian National.

In my opinion, the share paid by the eastern provinces in the cost of building that railroad and to make good the operating deficits of the railroad is at least equal to that of the western provinces. Shall we continue to pay the operating expenses of our railway system by means of a tax in disguise levied in the form of toll charges on this bridge that is far from meeting our traffic needs and is used mainly by the Canadian National and the Montreal and Southern Counties Railway?

I know that the Minister of Transport is well disposed. He clearly stated his position in a speech he made in the house on February 22, 1951, as reported at page 570 of *Hansard* and of which I quote the following excerpt:

> I do not think there can be any disagreement in principle as to the elimination of tolls. In principle we favour doing away with the toll system. There is no difficulty on that point. But we have to decide who should bear the costs. As regards jurisdiction, moreover, the three parties have already come to an agreement. To my mind, tolls cannot be removed unless there is some agreement on the procedure to be followed. It goes without saying that, for the time being, this agreement concerns only Jacques Cartier bridge. Nor should hon. members forget that the agreement which related to the building of the Montreal bridge, the Jacques Cartier bridge, was signed following the enactment of a statute by the house, the passing of legislation by the provincial legislature and the approval of a minute by the city of Montreal.
>
> Therefore, I submit that the suppression of the tolls would necessitate the agreement of the three parties concerned.
>
> We must also consider the practical side of the matter which is no less important than its legal aspect. In 1950, the national harbours board collected, I believe, $1,200,000 in tolls on Jacques Cartier bridge. As for Victoria bridge, I cannot give you any idea of the amount collected since it is buried in the accounts of the Canadian National.
>
> What I mean is this. It is not easy for the national harbours board or for the Canadian National to give up without further ado revenues exceeding a million dollars.

I agree with the Minister of Transport that the abolition of toll charges on these bridges will bring about considerable loss of revenue for the national harbours board or the Canadian National Railways. He might allow me to add, though, that the situation would be identical with that brought about by the abolition of toll charges on the Quebec bridge.

At that time, the Canadian National Railways had the benefits of the toll charges levied on this bridge; however, the practice has been discontinued.

Once again, I know that the federal government cannot abandon the toll charges without the co-operation of the province.

Before going on any further, I should like to point out that the Quebec bridge has nonetheless remained the property of the Canadian National Railways. So, the national harbours board could very well remain the owner of the Jacques Cartier bridge. The suggestion I made a moment ago should be considered thoroughly.

In view of the capital invested in the construction of the vehicular road over the Jacques Cartier bridge, the federal government is not required to provide everything; besides it is bound by a properly drawn up contract. But, in the meantime, in order to alleviate the lot of the man in the street and settle the matter of toll charges, I think my suggestion should be accepted; it is supported wholeheartedly by all my colleagues who are interested in the matter.

Therefore, I humbly submit that in so far as the Victoria bridge is concerned, I cannot admit that we should have to increase the income of the Canadian National Railways by means of a toll charge, however low it may be, which is not required anywhere else in this country. I do hope that this situation will come to an end as soon as possible.

A few years ago, the Minister of Transport stated that the implementation of the St. Lawrence waterway project would settle the problem of the Victoria bridge. This project would include the construction of a tunnel below the Victoria bridge, which would be used by the Canadian National Railways trains. My colleague, the hon. member for Chambly-Rouville (Mr. Pinard), has already quoted in this house part of an address delivered by the Minister of Transport, in Montreal, a few years ago. Allow me to quote once again what the hon. minister had to say then:

> The plan provides for the construction on the north shore of one or two locks designed to overcome the difference in level and to make navigation possible from Montreal harbour to and above the new industrial area which is to be established. Thus, the level of lake St. Louis would extend as far as below Victoria bridge and would provide a maximum fall for power development. One of these plans considers diverting railway traffic from Victoria bridge to a tunnel. Thus, Victoria bridge could be used exclusively for motor vehicles. This would improve markedly transportation on the south shore.

Of course the carrying out of such a project would solve our problem. But how many years will that require? Therefore I think we should settle at once the toll problem, without waiting for the carrying out of the huge St. Lawrence project. The reasons I have already set forth warrant the earliest possible action by the government in an attempt to settle the matter of the abolition of tolls. I realize that the problem of Jacques Cartier bridge is different from that of Victoria bridge. The former was built after an understanding between the province of Quebec and the city of Montreal, both parties agreeing to assume jointly maintenance costs, interest on debentures, etc., up to $150,000 a year.

I am not familiar with the conditions laid down when Victoria bridge was built, but I doubt very much that the city of Montreal agreed to accept indefinitely the charging of a toll, even after the cost of the bridge had been fully paid for. At any rate, if the administration of the day signed such an agreement, it is time for the government to correct the situation and to grant the repeated requests of the people who want an end to a situation which is indeed detrimental to them.

I do not know the feelings of the provincial government, but I rather believe that an agreement could be entered into on a basis that would be mutually satisfactory and in the interest of the people who have been asking for a long time that the toll be abolished on these two bridges and more particularly on Jacques Cartier bridge as far as the Quebec government is concerned.

I have not been asked to speak on behalf of the Quebec members, but I remain convinced that all right-thinking members of this house would favour an agreement to eliminate the evil of tolls required from those who have to use these two routes.

As some time is sure to elapse before such an agreement is signed, might I suggest a middle course until the matter is finally settled? Since 1950 or so, the revenue from tolls on Jacques Cartier bridge brought a rather large surplus. In 1950, I think that the revenue was $1,250,000, and it is possible that, in 1951, it was quite as high. With regard to 1953, the revenue has perhaps reached a million and a half dollars, if not

more. I do not have the exact figures here, but let us suppose that, for 1953, it amounted to $1,200,000.

Well, with regard to Victoria bridge, the receipts have also been more than satisfactory for some years already. It seems to me that means could be found to do something pending the final solution of the problem, and I am still speaking of Victoria bridge in particular because the province of Quebec is not bound to it by contract. If tolls cannot be completely eliminated I wonder whether it would not be possible to at least reduce it on the two bridges and abolish entirely the fee required from the passengers in these vehicles. Both these things should be done or one at least.

We could manage in such a way that the national harbours board, like the Canadian National Railways, would not have a deficit. It should be possible also to bring relief to the taxpayers. It would be an excellent opportunity for the government to show that it gives serious consideration to this problem. It would be a generous not to say a liberal gesture, which is synonymous, to reduce these charges upon that part of the population.

In conclusion I wish to let the government know that all I have said has been said in the best possible spirit. I feel that I am at present faithfully discharging the mandate given me by all my fellow citizens. Not only is it my duty to request abolition of toll charges on the Montreal bridges, but also to insist that at least cogent reasons to justify a possible delay in this connection be given to me and to those colleagues of mine who will no doubt take part in this debate.

Once again I wish to remind the house of the difference between a resolution moved here, in the House of Commons, and a motion put before a municipal council. Here we are moving something that requires the government to consider the advisability of doing such and such. We are not instructing the government to do this or that, but simply to take a certain thing under consideration.

We merely ask the government to consider the advisability of doing something. To ask the government to consider the advisability of enacting a measure does not mean that the government has to recommend the measure which we asked to be considered. For instance, when the members of the city council of Montreal submit a matter to the executive committee, the latter is in no way obliged to report favourably on the proposals. That is the difference between the interpretation given to motions here and that given elsewhere.

It is not a matter of abolishing tolls directly. We simply ask that the government consider the advisability of entering into negotiations with the provincial authorities of Quebec, and request them to see that the tolls on the bridges concerned are removed.

I believe I am speaking on behalf of all the citizens of Montreal, of the greater part of the people of Quebec, and of the chamber of commerce. I also hope that in the very near future the government will find it possible to meet the wishes of all the citizens concerned. Needless to say it would then be entitled to the gratitude of all those people as well as of the member for St. Mary.

Mr. Roch Pinard (Chambly-Rouville): Mr. Speaker, in rising to take part in this debate I wish first of all to reassure the hon. member for St. Mary (Mr. Dupuis) and those who do me the honour of listening to my speech by stating that I do not intend to unduly prolong this debate or to prevent the hon. members of this house from expressing their opinion on the question before us.

The problem is important and of interest not only to the population of the towns, municipalities and villages situated on the south shore of the St. Lawrence river, in the Montreal area, but also to the people of Montreal and vicinity. I take pleasure in supporting the resolution submitted by the hon. member for St. Mary. I am at ease to do so for I can say, without giving myself undeserved credit, that I have always been highly interested in this problem ever since I came to this house in 1945, when, for the first time, I had the privilege of representing the people of Chambly-Rouville county.

As I was saying a moment ago, the learned member for St. Mary has submitted a resolution similar to the one I had the honour and the privilege of presenting in the course of previous debates. The principle involved is the same and I can safely say, I think, that the representatives from Montreal and the vicinity are unanimous in requesting the prompt intervention, immediately if possible, of the federal government to eliminate what we may well call an anomaly, but which I consider as a real injustice to the people concerned, who have to bear with a toll

system which has now been in force for so many years.

I do not intend to take up one after the other the arguments I had the opportunity of expressing in the course of previous sessions when I submitted similar resolutions, because it would take too long and the house would not be able to vote on the motion moved by the hon. member for St. Mary.

I take the liberty of making a few remarks on the toll system now in force in connection with the two bridges concerned, Victoria and Jacques Cartier bridges. My first words will be on the tolls now levied on Victoria bridge.

Victoria bridge is nearly a century old. I believe it was built during the last century, in 1860. At that time it was open to railroad traffic. Contrary to other bridges built in the province of Quebec, Victoria bridge has the merit of lasting long, of being strong and soundly built. As I stated a moment ago, Victoria bridge is nearly a century old and I hope that the centenary will be celebrated in 1960. I hope that the authorities of the national railways system will invite the members concerned, as well as the people who use the bridge and have made it a profitable venture that brings revenue to the Canadian National Railways. Like the hon. member for St. Mary, I hope that those who take part in the celebrations will be able to do so without paying the toll charges.

Victoria bridge, Mr. Speaker, was built with subsidies which were generously provided by the central government to the company which undertook the work, in the course of the last century, and it is the Grand Trunk Railway which benefited from these subsidies. The subsidies were renewed under various forms. I remember having read, while I was studying the question some years ago, that in 1900, some 54 years ago, a member of this house requested from the government authorities the abolition of toll charges on this bridge. At that time a subsidy was granted by the federal government to the Grand Trunk in order to allow it to make certain improvements to Victoria bridge. As a matter of fact, I have here a statement made at the time by a member of the loyal opposition, Mr. Cochrane, who stated in column 9989 of *Hansard* the following, and I quote his words in English, just as he uttered them:

(Text):

If the Grand Trunk Railway saw fit to reconstruct that bridge it was their own business and not ours. We have paid all this country could afford to pay as a subvention to the Grand Trunk Railway. Now, why, after giving a subvention of $300,000, do you want to give them $200,000 more when you are paying them $40,000 a year for the user of that bridge?

(Translation):

And later the same member added:

(Text):

Why do you not put in a condition that the people should travel over the Victoria bridge free, and then you would get something for the people in return for this subvention?

(Translation):

In other words, Mr. Speaker, as far back as 1900 a member of the opposition asked the government of the day to abolish the toll on Victoria bridge. This should prove to the hon. member for St. Mary, and to other interested members, the importance of putting into practice the maxim of the French writer who said: "Put back your work twenty times on the loom" if you want to get good results. Nevertheless, it is a matter of some surprise, if not of satisfaction, to find that more than 50 years ago there came from quarters just as responsible as ours a request for the rectification of what the member called at the time an injustice.

There is no doubt that Victoria bridge has been an extremely profitable venture first for the Grand Trunk and later on, in 1909 or 1910, when the Canadian National Railways were organized, for that new agency of the federal government. Perhaps that is why the hon. Minister of Transport (Mr. Chevrier), during the debate on that same question two years ago, said that the Canadian National Railways were reluctant to give up such a revenue.

I quite understand their hesitancy, but I refuse to believe that it is the responsibility of the people of the municipalities and towns on the south shore of the St. Lawrence and of the city of Montreal to carry alone the occasional deficits of the Canadian National Railways. Such a state of affairs is unjustified, and I do not think that the minister could deny this statement; there is no doubt, in my mind, that Victoria bridge has been entirely paid for by those who used it. At any rate, as far as those who used it are concerned, the system of tolls should disappear, especially since the public enterprise that brought it into being is entirely paid for. The authorities of the Canadian National Railways are, therefore, in no way justified in allowing this state of affairs to remain, and the tolls on Victoria bridge should be abolished forthwith.

May I add that while this bridge has as I just said the merit of being strong, it is not

very practical as the vehicular roadway is very narrow, and even dangerous. The tolls are surely not related to services rendered.

Consequently I feel that it is imperative for the Canadian National authorities to immediately abolish the tolls on this bridge.

I shall only add a few words concerning Jacques Cartier bridge. As the Minister of Transport gave us to understand, and justly so, when he discussed the problem raised by the Jacques Cartier bridge, it cannot be considered in the same way. This bridge has been built following an agreement involving three administrative authorities: the federal government, the government of the province of Quebec and the city of Montreal. It seems quite difficult to decide who should take the initiative.

I have been told that the situation was somewhat similar with regard to the Quebec bridge and that the government of Quebec had taken the first steps and contacted the authorities of the Canadian National Railways in order to bring about the abolition of the tolls on this bridge.

May I point out, with regard to the Jacques Cartier bridge, that at the present it has surpluses rather than deficits.

The annual report of the national harbours board for 1952 shows that the operating surplus of the Jacques Cartier bridge amounted to $123,635 in 1951 and to $300,156 in 1952.

I am emphasizing those figures because when I put forward a similar motion in 1951, that year was likely the first in which the operation of the Jacques Cartier bridge did not end in a deficit.

As there is now a surplus, and since the municipal authorities of Montreal have accepted the decision of the courts and have paid the arrears they owed according to that judgment, a matter of nearly a million dollars, it seems to me that the national harbours board authorities should themselves open negotiations with the provincial government in order to do away with such an injustice and abolish the toll on Jacques Cartier bridge. If the provincial government has been negligent that is no reason for the federal government to wait and adopt a policy of laissez-faire, because the provincial government does not wish to intervene.

[Mr. Pinard.]

I strongly urge the Minister of Transport, who has shown that he is very well disposed since the beginning of these debates on this same question, to make representations to the body concerned and, if necessary, directly to the provincial government in order that negotiations may be started without delay with a view to doing away with toll charges on Jacques Cartier bridge also.

Besides, I am convinced that the minister shares my views. He has already stated quite emphatically that he favours the elimination of toll charges. It is evidently the means of arriving at this result that makes the situation complicated and difficult. I am confident that with his kind co-operation, well before the time comes to commemorate the centenary of Victoria bridge, toll charges will have been eliminated on those two bridges and the present unfair situation will have been done away with.

Again I congratulate the hon. member for St. Mary on his initiative in agreeing to submit such a resolution. By putting it on the order paper he perpetuates a practice that seems to have become a tradition in the house, a tradition that tends to bring about, at regular intervals, debates on a matter that should no longer be debated and that should have been settled a long time ago.

(Text):

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, in rising to take part in the debate on this resolution this afternoon I will deal particularly with the Jacques Cartier bridge. There is reason for that. The Victoria bridge is the property of the Canadian National Railways, and we have already seen this afternoon that the Canadian National Railways are a little organization largely independent and to themselves, and are rather reticent about supplying information through the minister. Therefore it would seem not quite fitting to discuss something which comes under their jurisdiction, because apparently there is nothing that we can do about it.

The whole question of these bridges is an important one in Montreal, because Montreal is an island, and these are the lifelines upon which all of our blood travels. Our great metropolitan area on the island itself is connected with another large area on the south shore, and an area extending many miles beyond that, all of which commutes daily back

and forth over these bridges to Montreal. The bridges are one of the major links between Canada and the United States. Perhaps there is at least one advantage in the present tolls on these bridges. It means the people entering Canada, our visitors from the United States, are given a foretaste almost immediately they come within seeing distance of Montreal of what Canadians encounter each day of their lives, because they are asked to pay a tax, an unnecessary tax. Perhaps it is right, although I do not think that we should meet our visitors at the door of our city with a tax in which the federal government is deeply implicated.

The Victoria bridge itself is one of the great antiques still standing. That is about the only tribute that I can pay to it. On the other hand, the Jacques Cartier bridge is a magnificent piece of bridge architecture. It was built just prior to 1930. If they go back and read the *Hansard* debates of that time, those who are seeking information will have great difficulty in finding it, because the bridge was then called the South Shore bridge. It took me some hours without the help of any adequate research service to find any reference to the subject in *Hansard,* but you will find there was much discussion at that time about the cost of the bridge. As I remember it from *Hansard,* the figure of some $10 million was bandied about. When the bridge was constructed it cost some $18,500,000. But there again, that is one of the things which we must expect in this life, I am afraid.

The bridge was built under an agreement among three governments. The fact that three governments have to do with this bridge should be emphasized because the resolution before us suggests only that our federal government enter into negotiations with the provincial government. Deeply implicated in this subject are not only the federal and provincial governments but also the municipal government of Montreal. Under the original agreement both the provincial and the municipal governments contracted to underwrite for a period of forty years deficits arising from the operation of the bridge up to an amount not exceeding $150,000 a year. These agreements and these payments of the governments have had a rather checkered history. For some years the city of Montreal refused to pay a large part of their undertaking, their objection being based on what they felt was the high cost of constructing the bridge. They were sued and they lost. The city of Montreal is paid up at the present time.

The province of Quebec enjoyed a somewhat more favoured position because it was only very recently that the federal government moved to collect from the province the payments that were owing. I understand that the case has now been initiated.

Over the period since the Jacques Cartier bridge was constructed the city of Montreal has paid between $2 million and $3 million towards deficits on that bridge. This has been a charge against all the taxpayers of the city, and not only against those people who use the bridge on the one hand, nor on the other hand against all the residents of the province, as happens with our other bridges which are owned by the province, and on which there is no toll.

At the present time the Jacques Cartier bridge is being used beyond its capacity. Additional capacity could be constructed on the bridge, roadways for streetcar lines, and that sort of thing, but nothing seems to be done about it. That is one thing which might be brought to the attention of the government in the hope that the capacity of the bridge could be expanded. The upkeep of the bridge could be improved considerably. Finally, it might be mentioned that most toll operations of this kind have a rather interesting arrangement so that, as a vehicle goes through, it is counted off automatically, and at the end of the day there is a reckoning of some sort between the man who collects the money and the automatic machine which has counted the number of vehicles going through. There is nothing of this sort on the Jacques Cartier bridge. Doubtless it could lead to abuses with respect to the current collection of tolls.

The revenues from the Jacques Cartier bridge run in the neighbourhood of $1,225,000 a year. Thus, if these tolls are removed we shall have to find $1,225,000 a year somewhere to make up that revenue. That is a very great sum. I also have the privilege of sitting on the city council of Montreal. I feel quite sure that the city would not be particularly interested in acquiring or taking over any share of that amount of money.

On the other hand I most certainly and beyond any doubt favour the abolition of tolls on this particular bridge. I favour the abolition of the tolls on both bridges but I am referring particularly to the Jacques Cartier bridge for reasons previously outlined. I favour the abolition of tolls on this bridge because most bridges in the provinces are free. The existence of tolls on one or two bridges used by great numbers of people is most unfair to those people. I have given the example of the United States tourist coming into Canada and being greeted almost at the gateway to Canada by a tax collector with his hand out. The tolls charged on these bridges do give a bad impression to people

entering Canada from the United States or those who are entering Montreal for the first time.

Another point is that these tolls place an unfair burden upon certain groups of people who have paid already for bridges and roads and other things through gasoline and automobile taxes paid to the province. I was talking recently with a gentleman in Montreal who has a large enterprise on the south shore of the river which entails considerable travel back and forth. He told me that in the course of a year his firm paid $20,000 in tolls on the Jacques Cartier bridge. It will be seen what a heavy burden is placed upon a small group of people or a small section of the community.

It must be remembered also that the federal government, or the harbours board which is its agent in this connection, owns no other bridge anywhere in Canada, at least as far as I can find out. I am glad to know that the government is almost out of the bridge business, but I would be happier if it were out of it completely. I cannot see any justification for the operation of bridges by the federal government. In this case the federal government is underwriting the deficits and the expenses of operating the bridge, which I understand to date have amounted to almost $7 million.

I have a suggestion to make, but before doing so I should like to cite one further figure. I understand that the bridge finally cost the government $18,500,000, and that up to the present it has been depreciated by some $3,500,000. This leaves the bridge with a book value, shall I say, of $15 million. The government carries it at $19 million because they have funded all the deficit, but that is just one of the peculiarities of government finance, where they consider that the longer they hold a thing the more valuable it becomes.

I am just wondering whether the government could not get out of the bridge business by selling the Jacques Cartier bridge—I make this suggestion in all seriousness—to the province of Quebec. After all, bridges and roads are the business of a province, not of the federal government. Despite the figures I have quoted I shall not venture to suggest a price, but judging from other government sales of war surplus material and that sort of thing perhaps ten cents on the dollar or even less would be adequate. I have seen a great deal of other material go through at absurdly low prices. Seeing the government in the bridge business like this makes me come to the conclusion that this is just another example of the "Howe" mentality of the government, how much can we get our hands on and how much can we control.

In closing I suggest that instead of merely abolishing the tolls on this bridge, which certainly should be done, and staying in the bridge business and thus saddling the taxpayers of Canada with an expenditure of $1,250,000 a year, the government should consider the advisability of selling this bridge or transferring it to the provincial government. In line with what the provincial government have done in connection with other bridges which they control they would probably move immediately to remove the tolls from this bridge. As I say, that is what has been done in the case of all other bridges under their control.

(Translation):

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, even though I do not entirely subscribe to all the views expressed by the hon. member for St. Mary (Mr. Dupuis), I nevertheless wish to express my concurrence with regard to the advisability of entering into negotiations with the Quebec government with a view to concluding a mutual agreement providing for the abolition of toll charges on Jacques Cartier and Victoria bridges.

I represent a constituency situated on the southeast shore of the St. Lawrence. My constituents earn their living through agriculture. It is therefore on behalf of the farmers of my constituency and of those of every other constituency whose livelihood depends on the sale of their farm products in Montreal that I wish to take part in this debate. On their behalf, then, I ask the government and the minister who is most kindly disposed, in principle, in this regard, to leave no stone unturned, in order to bring about the abolition of these toll charges which weigh heavily upon the agricultural population of the district lying to the southeast of Montreal.

I know that a large number of representations were made to me, at various times, either by agricultural societies, farmers associations of my constituency, or federations of agriculture representing several counties, urging me to work towards the abolition of these toll charges.

On the other hand I am well aware of the fact that the people of this country should, in one way or another, pay for the public works they benefit from.

If ever an understanding can be arrived at in this connection with the province of Quebec, I would like some consideration to be given to the farmers of the province and, more particularly, to those whose living de-

pends on Montreal. The problem is most involved and difficult. There are a great many difficulties standing in the way but I am convinced that the Minister of Transport will find a way out and that, some day, we shall see these toll charges abolished.

We will, of course, be told in some quarters that in the United States toll charges are coming back into favour, that if we go over there we have to pay fairly large amounts of money to cover long distances on super highways. But we should not compare our economy and population to that of the United States. And should the final settlement of this matter make it necessary for us to retain these tolls, we might maintain them in the case of tourists. If we go to the United States, we have to pay what is asked. They, in turn, should have to pay us what is required for the maintenance of these bridges.

Those are the few remarks I wished to make. I have spoken with the greatest confidence in the minister and in the government; I believe that this problem can and will be solved to the satisfaction of the agricultural population of my constituency.

Mr. Marcel Boivin (Shefford): Mr. Speaker, I should like to say a few words on the resolution introduced by the hon. member for St. Mary (Mr. Dupuis).

He referred to various municipalities of the south shore and mentioned a tripartite agreement which used to be in force between the harbours board and the federal and provincial governments. My colleague referred in particular to the beautiful city of Montreal.

He also pointed out that the municipalities of Longueuil and St. Lambert had expanded. May I add that there is a great industrial centre in the constituency which I represent in this house, namely the city of Granby, which has doubled its population during the last ten years.

Mr. Speaker, the matter of toll charges has been brought up. I should like to use a phrase which is perhaps less polished: I would say that we, from the south shore, have an additional tax to pay, a tax which the people of the north shore do not have to pay. The farmers of the south shore, the merchant who comes to Montreal, the manufacturer, the transport companies must pay a tax which increases their operational costs.

Mr. Speaker, I want to say that that notorious toll is not favourable to the development of the south shore. The citizens of Montreal and of the north shore, out of stubbornness and because they refuse to pay the toll, do not cross over to the south shore when they go for a drive.

The member for Notre Dame de Grace (Mr. Hamilton) said a moment ago that bridges and roads should not be under the jurisdiction of the federal government. May I be permitted to congratulate the federal government for the initiative it took years ago of building that bridge with the aim of furthering the expansion of the south shore. May I remind the house, without further ado, that there is in the province of Quebec a certain man who likes to claim that anything proposed or done by Ottawa is wrong. That is why I wish to state that I share the opinion of my colleague, the member for Chambly-Rouville (Mr. Pinard), who said that the hon. Minister of Transport (Mr. Chevrier) had shown good faith in his efforts to solve the problem.

Mr. Speaker, I am convinced that this debate, this afternoon, will prove not only to the province of Quebec but to the entire country that the federal government favours the removal of tolls.

(Text):

Mr. Auguste Vincent (Longueuil): Mr. Speaker, it is indeed a great pleasure for me to address the house on a question which has been the cause of debate for many years, and I am glad that in this maiden speech I am afforded an opportunity to ask on behalf of my own constituents, and on behalf of the two million people who inhabit the constituencies in the Montreal region, that once and for all free trade be established between Montreal and the south shore. In the international field we call for free trade among countries. Well, Mr. Speaker, I think free trade at home is one of the main objects at which we should aim. In the economic interests of all concerned I would urge that the tolls on the Victoria and Jacques Cartier bridges be abolished as soon as possible.

There is a difficult legal question involved here because the three parties concerned enacted legislation to enable the bridges to be constructed. Therefore these three parties must act on the question before the tolls on the bridges can be abolished. In this connection I would like to give a slogan to the powers that be, and that slogan is "Down with the tolls in 1954". I think that with all the good will shown on Christmas cards during the holiday season just ended all those concerned in abolishing tolls should get together and realize once and for all that they are not dealing with a personal question but with a public question, and in this regard they should act accordingly.

Taxes imposed by the city of Montreal, by the province of Quebec and by the federal government of Canada on the two million

people living in the region of Montreal are all paid by the same people, and I would ask the powers that be when and if they discuss the possibility of abolishing the tolls on the bridge to consider this fact and remember that while they are quibbling over this question the people on the south shore are paying tolls.

I think I should tell the house why I am interested in this toll situation. I am interested geographically and also as a matter of principle. Geographically my constituency lies on the south shore of the St. Lawrence river and is separated from the city of Montreal by a toll curtain, and I would describe the people of my constituency as the south shore pioneers for whom the bridge has "tolled". I would again urge the powers that be to give serious consideration to the abolition of tolls in 1954, and I trust that this year the tolls will be taken off.

This toll situation is a question of national interest, because whenever a member from western Canada comes into the House of Commons and asks for a grant it is the labour and the earnings of the people in the region of Montreal, Toronto, and other large centres in Canada that pay for this grant. Confederation means co-operation among all the provinces of Canada, and consequently I would urge this confederation to institute free trade between the island of Montreal and the south shore. It is about time we had it, and I would ask all the parties concerned to live up to their obligations. I know the province of Quebec has not lived up to its obligation.

It is not for me to say to what extent the powers that be have defaulted in carrying out their obligations, but I can say that since 1946, when this question was first introduced in the house, no solution has been found. That is a long time. I am a practising lawyer in Montreal, and if a client comes to me and says, "I have a problem for you", I just cannot tell him that I can do nothing for him because there is a problem. Governments, whether provincial, federal, or municipal, are paid through the medium of taxes on the people to resolve the problems of the people.

This is a vital problem. As a representative of the people I ask the executive of the government of Canada to bring before the other powers that be the question of the bridge situation and, with good will, to find a solution for the problem. I say there is no reason why the people on the south shore should pay more for their meat. There is no reason why a man on the south shore should pay 50 or 60 cents more just because he has to cross the bridge. Furthermore I say that property values would rise enormously if this problem were solved. I may be criticized for this statement, but I know that the chamber of commerce of Montreal, and also the junior chamber of commerce of the province of Quebec, have prepared a statement to that effect and there are figures to prove it. Consequently, in closing, I would ask the good will and co-operation of all. In ending his speeches Cato used to say *delenda est Carthago*. In ending my speech I will say, down with tolls in 1954.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, the motion which is now before the house is certainly important. It concerns the welfare of several million people, either citizens of Montreal or of its suburbs, or the ever-increasing population of the south shore. A tripartite agreement, in regard to the Jacques Cartier bridge, has been concluded between the harbours board, the Quebec government and the city of Montreal. As for the Victoria bridge, it obviously does not any longer fill the purpose for which it was built. Moreover, I should add that it is exceedingly dangerous.

There is one point I should like to raise here and it is the fact that thousands of car owners today do not hesitate to go out of their way in order to cross the Jacques Cartier bridge. So that this district is not served by two bridges, but at the most by one and a half.

Mr. Speaker, this situation has become intolerable and it would be a good thing to emphasize the following two points: The government of the province of Quebec has failed to meet its obligations in not paying the part it had pledged to pay.

Moreover, the city of Montreal did not deem it advisable, as far as I know, to enter into negotiations in order to bring about the removal of tolls on Jacques Cartier bridge. The federal government has been criticized in certain quarters as regards the tolls on these bridges. The people concerned should know that the Quebec government has failed to meet its obligations and that this failure to meet the obligations laid down in the contract now gives rise to an uneasiness which makes it more difficult to settle this problem.

It seems to me that the city of Montreal, directly responsible for the well-being of the population served by these two bridges, should have entered into negotiations with this government before now. It did not deem it advisable to do so.

I submit, Mr. Speaker, that we have to take into account the needs and the wishes of the citizens of Montreal and of the south

shore. The time has come, it seems, to settle this matter. I have no solution to offer, but I think that any step that would make it possible to abolish tolls on these two bridges should be taken.

I wanted to take part in this debate in order to put before this house the feelings of the electors of Maisonneuve-Rosemont, who feel that the time has come to study the means of abolishing tolls on these two bridges. I congratulate the hon. member who has introduced this motion, which I think is absolutely necessary and timely having regard to the present-day needs of the population of Montreal and of the south shore.

(Text):

Mr. Lucien Cardin (Richelieu-Vercheres): I should like to join with hon. members who are now asking again that the government consider abolishing the tolls on the Victoria and Jacques Cartier bridges. I do not need to repeat any of the arguments that have been made or to refer to any of the problems or inconveniences—or even the mental anguish—that are experienced by a large population in and around Montreal every time they want to get in or out of the city. Hon. members who have spoken on the subject this afternoon and those who in past years have brought to the attention of the government the different problems and difficulties which exist in connection with tolls have done so in such a way that it is now impossible for the government to be unaware of the situation that exists.

I am sure I cannot add any new facts that can assist the government in dealing with this matter promptly. Nor do I believe there is any serious opposition in this house concerning the proposition that has been made by the hon. member for St. Mary (Mr. Dupuis). I am also optimistic enough to believe that the government has no objection to the abolition of the tolls on both these bridges. As a matter of fact I recall that early last spring the Minister of Transport (Mr. Chevrier) made a statement in which he said the government was contemplating a meeting with the provincial government and the city of Montreal in connection with the structural changes that will have to be made on the Jacques Cartier bridge as a result of the St. Lawrence seaway project, and that during this discussion consideration would be given to the question of abolishing the tolls on the Jacques Cartier bridge.

There is one thing I should like to urge on the government—this is one of the reasons I took this opportunity to speak—and it is this. If they foresee any delay in this meeting with the province, in connection with facilitating the St. Lawrence seaway project, I believe it is the duty of the government to convoke that meeting with the province and the city of Montreal for the sole purpose of clearing away the difficulty with regard to abolishing the tolls on both bridges.

A great many people seem to think that the agreement in connection with the Jacques Cartier bridge is a three-way agreement with the provincial government, the municipal government and the federal government. But there is a fourth party to this agreement. That fourth party is the people who have been paying for the bridge for years and years, and who I believe have done their share in maintaining the bridge. I believe they also should have recognition at this time.

In my opinion the government should consider this problem on its merits. Of course, if the government foresees the meeting with the province in the near future, then the matter can be dealt with. But if there is to be any delay in meeting with the province of Quebec and the city of Montreal to discuss this problem, I believe the government should convoke a special meeting in order to settle any problem that may exist with regard to the province of Quebec or the city of Montreal, and in order to do some serious work on this particular question.

Mr. T. P. Healy (St. Ann): I should like to say a word, Mr. Speaker, since I am a Montreal member representing a district which the Victoria bridge enters. I should be glad to see this fine one hundred year old structure finally free from taxes, and I support the resolution moved by the hon. member.

(Translation):

Mr. J. G. Ratelle (Lafontaine): Mr. Speaker, in my capacity as member for the north shore constituency closest to that of St. Mary, which is represented in this house by the mover of this motion, I would feel remiss in my duty were I not to take part in this debate.

Now, before I go on to anything else, I should like to point out that in directing certain remarks to the Minister of Transport (Mr. Chevrier) a while ago, some of us seemed to have neglected to find out if Victoria bridge was entirely paid for, if moreover there was an agreement between the province of Quebec, the city of Montreal and the harbours board (i.e. the government) or if certain sums were still owing to the federal government. There is some misunderstanding on that score, but I do believe that assuming good will on the part of the federal government, who have not failed to show it up to now, there should be some way of forcing the provincial government to live up to its obligations and to come to an agreement if possible with the city of Montreal. This would greatly

improve traffic conditions between the two shores. As a matter of fact there are some days when it is impossible to transport goods to and from Montreal, a situation which causes great inconvenience to those who live on the south shore.

Moreover, at rush hours it takes over an hour to go from Montreal to the south shore. At the present time certain important undertakings are being carried out in our district and so as not to delay their completion we have asked certain members to help us to obtain the abolition of these tolls on Jacques Cartier and Victoria bridges. This would, I believe, be doing a real service to the people not only of Montreal and the south shore, but also to those tourists who come to see us. They would be all the more interested in seeing our city if they did not have to wait so long before entering it.

For all these reasons I support entirely the proposal made by my colleague and seconded by the member for Chambly-Rouville (Mr. Pinard). Both of them made an eloquent plea in favour of the abolition of toll charges on these bridges, which is very important, for we all know that it is in the interest of the population to be able, in due course, to cross over to the south shore, and from there back to the north shore, without having to pay any toll charge.

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I am pleased to take part in this debate, particularly after hearing the excellent speeches delivered this afternoon. I think the house should be grateful to the hon. member for St. Mary (Mr. Dupuis) for having placed on the order paper this resolution, which, by the way, is not new, as the house has had the opportunity to consider it on various occasions before. I therefore thank the hon. member for his remarks, as well as all the other members from constituencies surrounding the city of Montreal, for their splendid contribution to this debate.

This afternoon, I would have liked to add something new to all that has been said with regard to this discussion on the abolition of tolls on the Jacques Cartier and Victoria bridges, which cross the St. Lawrence, and link the south and north shores at Montreal. I am sorry to say, however, that my remarks this afternoon will in part be a repetition of what I have already said. There will be something new, to a small extent, but nothing substantial because, since the matter was last discussed in this house, nothing has happened following negotiations that might have taken place between the parties concerned.

However, I think that, as an answer to those who argue that there should be no distinction made between the two bridges, I must say that, if these bridges are to be considered together with regard to tolls, it will, as I see it, be very difficult to abolish the tolls on Victoria bridge without removing them on the Jacques Cartier bridge. And, if we were to abolish them on one, without settling the whole matter immediately, I think it would give rise to a great many difficulties. At any rate, the hon. members are quite as conversant with the situation as I am myself, and those who contributed to this debate have shown it.

First of all, they have drawn a distinction between the tripartite agreement between the municipality of Montreal, the province of Quebec and the national harbours board, on the one hand, and the position with regard to Victoria bridge on the other hand. This tripartite agreement, we should remember, has been approved by the house.

As a matter of fact it has also been approved by all the governments concerned, namely the city of Montreal, the province of Quebec and the federal government, which has passed an act to that effect. That is why I doubt seriously that the tolls could be abolished without a similar enactment by the present government. Besides, it was decided, at that time, that an act was needed to give approval for the construction of a bridge. Consequently I feel that we cannot eliminate tolls without another agreement being signed which would have to be approved by the house.

Then what are the facts at the present time? Here they are: two of the parties involved, the city of Montreal and the province of Quebec, have refused, one of them for a certain period at least, to fulfil the obligations assumed under this agreement. As a matter of fact, during five years the city of Montreal had not honoured its undertaking to pay one-third of the deficits, one-third of the amount necessary for the maintenance of the bridge. So the government or at least the national harbours board had to take legal action. Those proceedings have been concluded after a period of litigation of over two years. They have been settled in favour of the national harbours board and the city of Montreal has now honoured its obligations through the payment of nearly one million dollars, made up of about $750,000 in arrears plus the interest.

The same does not apply to the province of Quebec. I would like now to reply to the hon. member for Notre Dame de Grace (Mr. Hamilton) who claimed that some preference had been given to the province of Quebec since no proceedings had been taken against it. Such is not the case, I must say. According to the opinion given by the Department of Justice it has been decided to start proceedings against the city of Montreal first, and to consider the other matter after the litigation between the national harbours board and the city of Montreal had been settled. That dispute with the city of Montreal has been settled only very recently and there was no need therefore to consider the position of the province of Quebec until a few months ago. I wrote to the provincial minister concerned. I reminded him of what had happened and asked him what attitude he would take under the circumstances. I do not remember exactly what he replied but at any rate the province of Quebec has not paid the third of the cost of maintenance as it was supposed to do according to the tripartite agreement which has been mentioned during this debate. We are now considering the course, the proceedings which we should take.

Now, as far as the principle of elimination of tolls is concerned, there can be no difficulty, no disagreement, because we all favour, I am sure, the elimination of tolls. Everyone, including all members who have taken part in these debates, has said that it is unfair towards a certain part of the people, and more particularly towards the people of Montreal to levy tolls in that way. But what has not been said and what should be said is that if we decide to abolish those tolls, at whose expense shall we do so? Should we do away with those tolls at the sole expense of the federal government, that is at the expense of the national harbours board, or should we eliminate them following an agreement? I believe that everyone agrees that if tolls have to go, they should be eliminated only after agreement between the various parties concerned.

As I stated a while ago, it is parliament that authorized the division of operating costs of that bridge and, in my opinion, it is also parliament that should decide the manner in which those tolls are to be abolished.

I should add that an official of the city of Montreal, who very much desired to settle this matter, has, I believe, consulted certain of the members who have spoken this afternoon and then has discussed this matter with me. Unfortunately we came to no agreement. In any event this was not the object of these discussions. The object of this visit was to begin preliminary talks with a view to determining whether it would be worth while to prepare an agreement which would lead to the abolition of these tolls. I must say that this conversation was quite pleasant, quite interesting and, also, quite friendly. I believe it would be possible, by continuing these discussions, to arrive some day at a satisfactory solution to this problem.

Now, as far as the Victoria bridge is concerned, this afternoon we saw what happened during the discussion of certain matters. The house will recall what I said in reply to a question raised by a member, in regard to the Canadian National, as well as the attitude taken by the Prime Minister (Mr. St. Laurent). Unfortunately or fortunately the organization known as the Canadian National is not a division of the Department of Transport. It is a crown agency, a crown corporation whose function it is to administer the affairs of the Canadian National and to do so in the interest of all its shareholders who are the Canadian people in general. Now, the directors of the Canadian National are in favour of abolishing toll charges on Victoria bridge, but under certain conditions. These conditions I have already mentioned in this house and I mention them again, referring to what I said on page 570 of *Hansard* of February 22, 1951:

> As regards Victoria bridge, I have already informed the house that, on the condition mentioned in *Hansard*, the Canadian National Railways were ready to consider the removal of tolls now levied. The Canadian National has already indicated its approval of legislation that would do away with tolls for non-commercial passenger vehicles and for passengers. The removal of tolls is based on the contingency of a satisfactory agreement with the province. This agreement would compensate the Canadian National for monetary losses sustained and would also protect its interests.

The Victoria bridge situation is comparable to that of Jacques Cartier bridge, for if the Canadian National loses one million or several millions in revenue derived from these tolls, it must be compensated. And if we were able to tell the Canadian National, "Tomorrow, you will abolish tolls on Victoria bridge", they would say, "Very well, we will do it, you can order us to do so, but in the name of the shareholders of Canada, we ask that you pay us the amount we have been collecting until now". It is a very large amount. And the house, which has to approve each year the amount necessary to run the Canadian National, would then have to vote that additional money which would come from the revenues of the country and would be paid by all the shareholders. That is why I repeat what I said at the beginning, that it is very difficult to make a distinction between

the policy for the removal of tolls on one bridge, on the one hand, and the policy for the removal of tolls on the other bridge, on the other hand. I believe that our policy should be the same in each case and that the matter should be settled at the same time for both bridges.

(Text):

Here, Mr. Speaker, I should like to pause for a moment to deal with one or two matters that were raised by the hon. member for Notre Dame de Grace (Mr. Hamilton). The hon. member is, as he has himself said, a member of the city council of the city of Montreal, and he indicated this afternoon a knowledge of this question that I was pleased to see. It was evident from his remarks that he had given the subject some thought. But there were one or two matters dealt with here that I am afraid do not accord with the facts.

For instance, it was suggested that the federal government get out of the bridge business. Well, no one would be happier than myself to see the federal government, or its agency the national harbours board, get out of the bridge business. But had it not been for the national harbours board or its predecessor, the Montreal harbour commissioners, there would be no Jacques Cartier bridge in the city of Montreal. It was thanks to the fact that the predecessor of the national harbours board agreed to provide the funds that a bridge was constructed. Therefore it seems to me that the citizens of Montreal should be—and I am sure they are—grateful for the action taken by the federal government at that time in connection with the construction of this bridge.

So there will be no doubt about the figures, I should like to place on *Hansard* the position in so far as the Jacques Cartier bridge is concerned. After all, the suggestion has been made by an hon. member that we should sell the bridge to the province of Quebec. That is not a new suggestion. It was suggested as far back as ten years ago, and I am sure that is what is in the mind of the negotiators who will deal with the province and the municipality, namely the sale of the bridge either to the province or to the city. But there are two criteria by which we must be guided, first, what did the bridge cost the taxpayers of Canada in the first place? According to the figures that have been prepared for me by the national harbours board, the debt to the government in respect to the original capital cost is $16,976,000. The debt due to the government in respect of deficits is $6,489,000, and the debt to the government on account of the accrued interest on the deficit debt is $5,019,000, making a total of $28,485,000, roughly speaking.

Following the argument made by an hon. member, whose constituency I have forgotten, that physical assets of this nature have increased in value over the years, there is no doubt that the physical asset known as the Jacques Cartier bridge has increased tremendously in value. In fact it has increased to the extent that the national harbours board feels that today, after allowing for depreciation and taking right of way, at original cost, the present value of the bridge is $37 million.

Mr. Macdonnell: That is replacement value?

Mr. Chevrier: Yes. The position as I understand it is quite clear. The debt to the government is $28 million, and either we sell it for that figure or we give it away at a nominal cost. If there are to be negotiations between this government and other parties, these are the two lamp posts between which negotiations must take place. In other words, I do not think anybody in this house will suggest for a moment that we deed the bridge to the province or to the municipality for a nominal sum, and I would not suggest for a moment to the house that if we are to settle this question we insist upon a payment of $28,485,000, because if I did I do not think we would ever settle this question as between these two posts. I think between them there is a possibility for discussion.

Some hon. members have said earlier—and their contention was correct—that in the case of the Quebec bridge an amicable solution was arrived at. That bridge is owned by the federal government. It is entrusted to the Canadian National Railways for operation, and the province of Quebec and the Canadian National Railways came to an understanding without the slightest difficulty. I hold the terms of that understanding in my hand but I do not want to put them on *Hansard* because they have already been made public; the house is familiar with them. But here was an instance where there was a desire on the part of the two parties concerned to come to an understanding on a very complex and difficult problem, because there it was a question of the abandonment of one rail line and the substitution of an asphalt coating over the line, together with the establishment of a lighting system, a signal system, over the bridge and the change of abutments, which was a complicated matter. It took some time; but the powers that be at Quebec and the president of the Canadian National Railways had no difficulty in arriving at an agreement, and I am confident that—

Mr. Macdonnell: Can the minister give us a brief outline of the nature of the agreement?

Mr. Chevrier: Yes. In return for the Canadian National Railways giving up its second track over the Quebec bridge the province agreed to bear the total cost of relocating the railway track and also the first and subsequent costs of maintaining and operating a C.T.C. signaling installation system; that is the system known as centralized traffic control on the Canadian National Railways at the end of the bridge on either side of the St. Lawrence river.

Then again, the province agrees to bear all the expense of constructing and of subsequently maintaining the roadway on the bridge and approaches thereto. The province agrees to provide at its own expense any lighting necessary for the roadway. The cost of all structural steel or other material which will have to be added to the bridge on account of the construction of the highway shall be borne by the province. There are a number of other provisions under which the province undertakes and agrees to save harmless the minister in his capacity as representative of the owners of the bridge from any damage or the like that may be caused because of the construction or the maintenance of the asphalt coating.

These are the reasons why I commend the hon. members from the Montreal area who have pointed out that since it was possible to arrive at an agreement there, surely it is possible to arrive at an agreement in this instance.

(Translation):

Coming back to the resolution, it reads as follows:

That, in the opinion of this house, the government should consider the advisability of entering into negotiations with the government of the province of Quebec for the purpose of reaching a mutual agreement for the abolition of tolls on the Jacques Cartier and Victoria bridges.

The hon. member has somewhat modified the terms of his resolution, and rightly so, I am sure. It is not quite similar to the other resolutions that have been previously discussed in this house; if we read it carefully, we see that the government is requested to consider the advisability of entering into negotiations with the province. This has already been done. The Minister of Transport has himself made a statement, which was approved by the government, to the effect that he would be prepared to welcome any suggestion from the municipality or the province of Quebec, with a view to reaching an understanding. One of the parties interested has already benefited from this statement. As I was saying a while ago, one of the representatives of the city of Montreal has already opened preliminary negotiations with the minister. It was a bit more difficult I am sure in the case of the other party, because in my opinion it owed a large sum of money to the federal government in connection with the operation of Jacques Cartier bridge.

What the hon. member requests, in fact, is the opportunity to open negotiations. As I have said, the government has already examined this problem and has made a subsequent statement. I respectfully and humbly submit to the hon. member that the resolution need not go any further. Since the request has already been made, since moreover one of the parties has already submitted its representations, then it seems to me that it might be possible to accept further statements from this third party when it will have fulfilled its obligation toward the national harbours board.

As I indicated at the beginning, it seems to me that I must take roughly the same attitude as we have always taken regarding this question, namely that it would be impossible for us, on our own initiative, to abolish the toll without being unfair to the other Canadian taxpayers and without submitting such a decision to the house.

I would have liked to add that another matter is involved. Now that the traffic has considerably increased on the two bridges, it becomes necessary to spend considerable amounts of money not only on the Victoria bridge but also on the Jacques Cartier bridge. As a matter of fact, there is some talk about a new right of way for vehicles the cost of which would be at least one million dollars and there is also some talk about a ramp on St. Helen island which would cost $200,000 or $250,000; that would make for this bridge a total expenditure of $1,250,000. The addition of another vehicular road on Victoria bridge would cost a great deal of money.

Therefore, one should not advocate the immediate removal of the toll without giving particular consideration to all the facts I mentioned here this afternoon.

It seems to me that the aim the hon. member had in sight when he introduced his resolution this afternoon has been achieved. If he believes it to be for the common good, he might come to the conclusion that it would be advisable to withdraw his resolution.

(Text):

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, one of the advantages and privileges of being a member of parliament is that through years of experience in

the House of Commons one learns a great deal about his own country, particularly those parts of it far away from home. I have been interested across the years in the debate which has taken place on a number of occasions with respect to tolls on the Victoria bridge and the Jacques Cartier bridge in the greater Montreal area.

I note that a number of those who have taken part in the debate today are hon. members who took part on previous occasions. The hon. member for St. Mary (Mr. Dupuis) moved the motion today, and he had the support of the hon. member for Chambly-Rouville (Mr. Pinard). I believe the last time this matter was before the house the tables were reversed; it was the hon. member for Chambly-Rouville who moved the motion, and on that occasion he had the support of the hon. member for St. Mary.

He also had the support of the then hon. member for Matapedia-Matane, Mr. A. Phileas Cote, who did not come back to the house after the last election, and also the support of another Mr. Cote, namely the hon. member whose resignation from this house was announced today, Mr. Paul Cote, who I understand has been appointed to the superior court of the province of Quebec. Perhaps it would not be too far out of order for me in just a passing moment to offer my congratulations to our former colleague upon his elevation to the bench.

Other members who have been here from time to time from the greater Montreal area and have taken part in debates on this question have made it very clear that this is a most important issue to the people of Montreal. After listening to as much of the debate today as I could understand and from my reading of debates on former occasions I feel that the request by those members that steps be taken leading to the abolition of these tolls should be met. I regret that I do not understand the French language as well as I wish I did, but I think I understand it well enough to realize that in his closing words the Minister of Transport (Mr. Chevrier) was making the usual suggestion to the sponsor of the motion that perhaps it might now be withdrawn.

I hope that course will not be followed on this occasion as it happens all too often in connection with motions moved by hon. members on the government side. In respect to this motion I would suggest to the hon. member for St. Mary that he not withdraw it. As a matter of fact I am not sure that those of us who feel the motion should be supported should give the unanimous consent required for the withdrawal of a motion of this kind. I think it should be voted on; I think it should be passed by this house.

I know the Minister of Transport will say, as he has said on former occasions, that this is a matter that calls for negotiation among the three bodies concerned, namely the national harbours board which is an emanation of the federal government, the provincial government and the municipal government of the city of Montreal. Nevertheless I suggest it would strengthen the hand of the federal government or the national harbours board in connection with this matter if today a motion of this kind could be passed by this house. It seems to me that the position of those who argue for the abolition of these tolls is weakened when motions are placed before the house and then withdrawn simply on the basis of the assurance that the minister will do his best to see that something is done about the matter.

As a matter of fact, Mr. Speaker, this matter was last debated—I do not think it has come up in the meantime, but if so I stand subject to correction on that point—on February 22, 1951, and on that occasion it was the hon. member for Chambly-Rouville (Mr. Pinard) who asked that the house give consent for the motion to be withdrawn. I would remind hon. members that we did not feel in that sort of mood that day and we did not give consent, and so the motion was lost, the government expressing its opposition to it. But on that occasion, when the hon. member for Chambly-Rouville was asking that consent be given to the withdrawal of this motion, he indicated certain conditions. He said this, as will be found at page 571 of *Hansard* dated February 22, 1951:

> In withdrawing my resolution I wish to say that if nothing has been done by that time, I shall propose the same resolution next year.

Well, next year was 1952, two years ago, and it would seem that nothing has yet been done. The people of Montreal are still being required to pay tolls at these two bridges; therefore I suggest to the hon. member for St. Mary and the hon. member for Chambly-Rouville, and to others interested in this matter, that surely they should have learned their lesson. Surely permitting this motion to be defeated or having it withdrawn is not serving the purpose they have been assured it would serve. Indeed, tolls are still being exacted from the people of Montreal and I would suggest to them as a matter of tactics, if I may put it that way, that if they want to strengthen their case they should round up all the support they can in the party to which most of them seem to belong and try to get this motion passed.

For my part, I think it should be passed. I do not deny that the party to which I belong has not as large a membership or is as strong in the city of Montreal as I think it should be, but I can say that our people in the city of Montreal have been in touch with us about this very motion respecting these tolls on these bridges and have urged us in the name of the little people of Montreal to support this motion for the abolition of these tolls.

So I take this stand and support this motion and urge that it be passed, not just from my own reading of debates that have taken place and from the attention I have paid to the debate that has taken place today, but because of representations made to us by the people in Montreal who share our point of view and who feel it is unfair that these tolls should continue to be paid.

So, Mr. Speaker, I urge most strongly that the house pass this motion. I am not going to have a chance to record my vote for it if the hon. member for St. Mary responds to the request of the Minister of Transport and agrees to withdraw it. But if we do not give consent to its withdrawal it will go to a vote; and if it does so, I hope this time it will be passed. The last time we refused consent for withdrawal the motion was defeated at the will or desire of the government, but I still fail to see why the government should regard it as embarrassing to have a motion of this kind passed. What does it say? It reads as follows:

> That, in the opinion of this house, the government should consider the advisability of entering into negotiations with the government of the province of Quebec for the purpose of reaching a mutual agreement for the abolition of tolls on the Jacques Cartier and Victoria bridges.

Now, what is there in that motion that could be embarrassing to the government? I suggest that it would strengthen the government in any attempt to negotiate with the province of Quebec or the city of Montreal on this point. It would let these jurisdictions know that members of this house representing all parts of Canada agreed with the members from the city of Montreal that the time for these tolls to be abolished certainly had come.

I listened today, Mr. Speaker, to the figures the Minister of Transport placed on the record, and I have read the remarks he has made in the past, particularly with respect to the loss of revenue that would result so far as the national harbours board is concerned if tolls were abolished on the Jacques Cartier bridge. I have also noted that he has referred to the loss of revenue the Canadian National Railways would suffer if tolls were abolished on the Victoria bridge. I understand he is not in a position to indicate what that amount would be because that type of revenue is buried in the general revenues of the Canadian National Railways. But any public project, be it a highway, canal, ordinary road, aid to navigation or aid to aviation, any project of that kind costs money and we enter into these things because we feel they are necessary public services; they are necessary to the progress and development of the country, and they are necessary for the well-being and the welfare of the people of Canada as a whole.

Now, there are some of these things for which something corresponding to a toll might be said to be in existence. I mentioned, for example, aids to aviation. There are landing fees that pay part of their cost, but they do not pay the whole cost. We spend a great deal of public money providing aids to aviation; we spend a great deal of public money providing aids to navigation, and we also spend a great deal of money on highways. We are spending federal money, in co-operation with the provinces, on a trans-Canada highway, but it is not proposed that there be tolls on the trans-Canada highway in order to get that money back. We regard the country as that much better off because we have these aids to aviation and these aids to navigation, and because we have or will have some day a trans-Canada highway.

I submit that in the same vein conditions are better in the Montreal area because we have these bridges, and we should not be told that the moneys that have been spent in producing them are moneys that have to be recovered. They are expenditures and investments in improving the living conditions and means of transportation in the Montreal area, and I think we get our value for them as a nation in the very fact that we have these aids to transportation, if I may call them that.

Therefore I think, bearing in mind the large number of people, and indeed the very large percentage of the population of Canada residing in the Montreal area, it is not at all unfair for us to urge that the necessary steps should be taken to abolish tolls so far as that area is concerned.

A good deal has been said in the course of this debate and in the course of other debates about the part played in these things by the other two jurisdictions. I understand that the city of Montreal is regarded as having reneged a bit on its part of the agreement, and of course when you get negotiation between the federal government and the government of the province of Quebec

there is always a little game of each blaming the other. But in the meantime the ordinary citizens of Montreal are being called upon to pay these annoying tolls, these amounts which seem to be in the nature of nuisance taxes. Tolls on bridges and tolls on roads were part of the ordinary course of things a century or two ago, but we have moved on; we have made progress, and we recognize that the day of that sort of thing has gone. I think it is unfair to the citizens of that great metropolitan area of Montreal that these tolls should be continued.

If I were one of the members from Montreal, with the keen interest they have in this question, I certainly would not be satisfied just to be given the same explanations, the same figures and the same assurances that have been given from time to time back over the years. When the hon. member for Chambly-Rouville introduced this matter in 1951, he said it had first been introduced in 1946. That is eight years ago. Indeed, in 1951 the hon. member for Chambly-Rouville made the statement that this motion had been on the order paper every session from 1946 on. It has not reached the debate stage in every one of those sessions, but every time it has come up we have had the same approach to it as that which was made today on both sides. We have had the members from the city of Montreal bringing out some of the same arguments they have made today, namely that the citizens of Montreal are entitled to free passage over these bridges.

The members who speak on it are conversant with the arrangements among the three jurisdictions. They are conversant with all the figures. They lay their case before the minister. The minister stands up and expresses sympathy with them. He understands their position. He says that nobody would like more than he or the federal government to get out of this business of collecting tolls, but in the end all he can give is the assurance that they will continue to press for the kind of negotiations which he hopes may some day solve the problem. He sets up as lamp posts the question of giving the bridge away for nothing or trying to get out of it the $28 million that has been put into it. Having set up these lamp posts he asks the members who brought this matter before the house to accept his assurance that efforts will be continued to bring about the kind of negotiations that may result in something.

How many times do the members from Montreal have to go through this kind of experience before they realize that they are not getting anywhere by this method of simply discussing it in the house and then withdrawing the motion? I suggest that to have the motion voted on in a formal division, and defeated if necessary—but having on the record who the members are in this house who support this proposition—would do more good than will be done by having it withdrawn. What would do them even more good, of course, would be to have the motion passed. I hope some of us will be able to persuade the Minister of Transport and the government that there is nothing that will embarrass the government by having this motion passed.

I wish to indicate my wholehearted support of the plea that has been made by the members who have spoken on this matter today. I hope they will continue to press for it. If the matter reaches a conclusion before the day ends, I hope they will let us have a vote on it so we may see where the house stands. I certainly will give the motion my support. I am prepared to vote for it. I think the votes that would be recorded in this house for the motion would strengthen the hands of those who, in my view, take the correct position that no longer should there be these tolls on the Victoria bridge and the Jacques Cartier bridge in Montreal.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, when this matter was first brought up in the house this afternoon I was under the impression that it was the first occasion on which I had heard of the Victoria and Jacques Cartier bridges. After some investigation, however, I discovered that my first sight of the Victoria bridge, on which apparently the unfortunate inhabitants of that area pay tolls, was no less than 46 years ago when, as quite a young boy, I first entered Canada. One of the first sights I saw in the Dominion of Canada was the famous Quebec bridge. Not long afterward that particular bridge collapsed. It was rebuilt, and to my astonishment today I discovered that they are still charging tolls upon that bridge.

In view of that fact it would seem to me that the hon. member for St. Mary would have to take with a grain of salt the minister's assurance of the utmost consideration for his plea, if it has taken them 46 years to consider the matter of abolishing tolls with respect to the Victoria bridge—and I presume the government have been considering abolishing tolls at intervals during those 46 years—and they still have not abolished them. It would seem to me that the hon. member for St. Mary had better view the minister's assurance with a considerable amount of misgiving.

I do not think there can be any doubt that the Victoria bridge has been paid for several times over. I do not imagine that even the Minister of Transport (Mr. Chevrier) would suggest that there is very much owing on the

Victoria bridge. I noticed that on a previous occasion in this house the minister made the statement that the tolls from that bridge in 1950 amounted to $1,200,000. It was also stated at that time that the new arrangements with regard to the financing of the Jacques Cartier bridge had resulted in a reduction of the carrying charges, which had been somewhere in the neighbourhood of $1 million a year, to somewhere in the neighbourhood of $500,000 a year.

I suggest to you, Mr. Speaker, in view of the fact that even since 1950 the government has been receiving $1,200,000—and presumably for some years prior to that date—that it has already accumulated quite a healthy surplus with regard to the carrying charges of the Jacques Cartier bridge. Even if we were to consider the carrying charges for the next 15 years—I believe the period of this new financial arrangement was until 1969, some 15 years from now—the sum of $7,500,000 would be the total amount the government of Canada would be out of pocket if we did not take into consideration the surplus amounts they have been collecting over a long period of years; that is, surplus over the carrying charges on that particular bridge.

I have been rather amazed to find that, leading into the largest city in Canada, we have two bridges upon which we still preserve the antediluvian arrangement of tolls. In the city of Vancouver we were in a similar position until quite recently, and there was a continual outcry. It may be that British Columbians cry more shrilly to their provincial government than the Quebec members cry to the federal government; or it may be, of course, that provincial governments have more acute hearing than have federal cabinet ministers. But certainly the tolls on the Pattullo bridge were abolished as a result of public outcry at the fact that the city of Vancouver was virtually isolated from anybody who did not have the toll in his pocket; it was not possible to get to the city of Vancouver from the rest of the province unless you came from the best part of the province, namely from Vancouver island, in which case you paid your toll to the C.P.R. The toll on the Pattullo bridge was abolished at the same time as the toll which had been imposed on the Alexander bridge at Spuzzum in the Fraser canyon, and in that case I may say there was not even a suggestion on the part of the government that there was any basis for preserving the toll on the Alexander bridge. The cost of this bridge had been refunded out of tolls time and again. Finally the tolls were abolished, and we now have easy access to the city of Vancouver.

Like the hon. member for Winnipeg North Centre, I certainly hope the hon. member for St. Mary will not withdraw this motion. I would suggest this to him that in August of this year practically every Liberal member in Canada told his audiences at political rallies that one of the major reasons they should vote Liberal was that the Liberals could get things done. Certainly they were going to win the election, and Liberal members had the ear of the government. I am going to suggest to the hon. member that he will have to prove to his constituents that his pipe line to the minister's ear is as adequate as I fancy he suggested to his constituents it was during the election campaign.

Mr. Low: A thirty-inch.

Mr. Cameron (Nanaimo): Is it a thirty-inch line? We shall know, after this debate is over and the motion comes to a vote or has been withdrawn, just what we are to believe. We shall know what weight we are to give the minister's assurance that careful consideration will be given to this plea to which he has listened, I would have thought ad nauseam. I would have thought the minister would have been anxious to abolish these tolls, if for no other reason than to avoid having to listen, session after session, to the plea of the Montreal people to have their area brought into the twentieth century and out of the era of darkness.

Mr. Chevrier: Let me tell my friend that his speech is very much ad nauseam.

Mr. Cameron (Nanaimo): Is that so? Apparently I am doing a good job, because I would have thought the minister would not be anxious to continue giving these assurances in the house year after year. I would have thought that would have given him nausea without any help from me. I would close by urging the hon. member for St. Mary to insist on the matter going to a vote at this time.

Mr. Solon E. Low (Peace River): As I listened to the debate that has taken place this afternoon, my interest in toll bridges mounted. I had not felt the pangs of toll bridge consciousness very much until after I had listened to several of the interesting speeches that were given here this afternoon, principally by members representing Quebec constituencies. Now I am somewhat consumed with interest in the principle of this whole matter of toll bridges. I will not be able to speak too much in detail about the two bridges that are mentioned in the motion, but I take it, Mr. Speaker, that members of the house can discuss the principle of toll bridges along with the two particular ones that are mentioned.

Bridges

In the first place, I am interested in toll bridges because I think they are a nuisance, no matter how much we owe on them or for what purpose they have been erected. I think the only justification for a toll bridge in any country is that the bridge is owned by a private concern which put up the capital and must recover it. We have one or two bridges of that kind in Canada. I know of one in British Columbia which crosses the entrance to the inlet. I suppose people making use of that bridge to cross into North Vancouver do not object to paying tolls because they realize they are paying a private concern which actually financed the bridge and have to recover the money. For the people of Canada to have to pay tolls on any bridge that is built by a government or any combination of governments, as in this case, it seems to me is an antiquated idea that should be abolished at the earliest possible moment.

It is for this reason that I am particularly interested in this whole subject of toll bridges. I am glad to be able to state at this time that I do not think there is a single toll bridge in Alberta, thank heaven. I would be one of the first to try to get the tolls abolished if there happened to be such a bridge, but we have not thought of bridges in that fashion. As the hon. member for Winnipeg North Centre has said, it would be just as antiquated to begin charging tolls on the trans-Canada highway because public moneys have been used in its construction. I hope there is no inclination on the part of the government to try to attach tolls to that trans-Canada highway. They will have a fight on their hands if there is. Certainly there would be just as much reason to charge tolls on the trans-Canada highway as there is to charge tolls on the two bridges in question.

Another reason I am keenly interested in this matter of toll bridges, and particularly these two, the Jacques Cartier bridge and the Victoria bridge, is that so many tourists coming to Canada have to enter by way of these bridges, or at least they enter the city of Montreal by way of these bridges. I can imagine how these tourists must feel toward Canada as a whole when they are confronted with the necessity of paying tolls before passing over the bridge. I know how I have felt when I have travelled by car through the United States and have had to pay tolls on a great number of bridges in that country. I have in mind some of the bridges in the middle western states over which one has to pass to get out west. I have felt quite angry about it, because I could never see the justification for a government imposing tolls year after year on the people who have to use the bridges.

We want to create a favourable impression on our tourists. If we are going to create a favourable impression and try to get them to come back, it seems to me one of the things we ought to be doing is opening our gates a little wider, and making it a little easier for them to enter. Let us not get them fiery mad just the minute they get to the gates of our country. Let us get them in and get them to come back to spend their dollars. They would be glad to spend many times over the sum they would pay in the form of tolls, but they get angry at having to pay a simple toll of 50 cents.

Even more important than that, important as the tourist traffic is, is the fact that the people of Montreal and environs must pass over these bridges every day and sometimes two or three times a day to get to and from their work. Having to pay tolls, even at a reduced rate—I understand that is sometimes made possible for the citizens of the community—it seems to me is imposing on these people a burden that they should not have to carry. It is argued, of course, by officials in government that the people in an area like Montreal who are using the bridge most should be the ones to pay for it. If we are to use that as the principle guiding the construction and use of many national assets, I am afraid there will not be too many of them built.

In western Canada we have some irrigation projects that have been built with the costs shared by this government, the provincial governments and the local governments. They have all shared in the expense of construction. Are we going to turn around and get that money back out of the people who operate irrigation districts by charging tolls? We do not do that. Those contributions by this government are made in the hope that they will create a national asset and build something that will return value to the whole of the people of Canada.

That is the hope we have in building these bridges. I would suggest, Mr. Speaker, that it is very important for us to try, if we possibly can, to relieve the people of the city of Montreal and the immediate district of the load they have to carry, by making it possible for the fourteen million people in the whole of Canada to share that load.

Mr. Knowles: It is fifteen million now.

Mr. Low: Fifteen million, then. There is another thing that makes me interested in

this whole matter. When he spoke, the minister revealed to us that while he thought there was a value of something like $37 million in the Jacques Cartier bridge, yet we still owe against it something like $28,400,000. On that feature alone a person could occupy the attention of the house for a very long time. It must be an amazing revelation to the people of Canada to find that after all these years we still owe $28,400,000 on the Jacques Cartier bridge, in spite of the fact that ever since it was put into operation we have been exacting something like $1,200,000 each year in tolls. That may not be an average figure, but I believe it is the figure that was given for one year.

It seems to me that this offers an excellent example of asinine financing, and it gives me tremendous pleasure to be able to hold it up so people can see just what is in it. Here is a situation in which I think every member in the house ought to be interested. I do not know just what the original cost of the Jacques Cartier bridge was but, if I remember correctly, it was estimated originally that it would cost $12 million. I understand, however, that once the bridge was under construction some difficulty arose as a consequence of someone holding up the price of the approaches to the bridge and, if I remember correctly, it became necessary to pay a greatly enhanced sum of money in order to get those approaches. So the bridge cost something like $18 million. It will be understood that I am giving these figures from memory, going back over a number of years.

What happened? I understand the federal government financed it by floating an issue of 5 per cent 40-year bonds. We know that 40-year bonds carrying an interest rate of 5 per cent will yield during the lifetime of the bonds 200 per cent of the principal. If the principal sum spent on the bridge was $12 million—and we will put it at that figure as a beginning—then over the years those bonds would be out the people of Canada would have to dig up, through taxation, $24 million in interest. This would mean that for a $12 million bridge, when the interest on the bonds had been paid for 40 years the cost to the people of this country would be $36 million.

To my mind it is completely asinine to go on financing in that fashion what we are pleased to call national assets. When one digs into the matter these facts stare him in the face. Over the years since the Jacques Cartier bridge was conceived and work on it was begun, this country of Canada has passed through some hard times. There have been bad years, times when we had tremendous quantities of surplus production going to waste. We also had quantities of unused labour and unused power. These could easily have been used. What in the world are we thinking about when we fail to transform surplus production and surplus energy in the form of manpower or machine energy into a national asset that is truly an asset, and one on which there is no debt? It is just utterly foolish, when one thinks of it.

But this is what we have done. Hon. members seem to fail to grasp the significance of true financing, where the government has the sovereign right and authority to do what is required to make the money that we have, our purchasing power, match the figures representing our national production. The government can do that, without running this nation into pawn to the merchants of debt. But it has not done so. It prefers to put a yoke around the necks of the people of Canada, to keep them with their noses to the grindstone, paying interest, and digging it up year after year to pay for an asset that should have been paid for long ago. In spite of the fact that we did have the surplus production, the surplus energy and manpower, we failed to convert it into a national asset. As a consequence, having paid millions of dollars in interest on a bridge, we find that we still owe on it $28,400,000, or a sum one and a half times its original cost, even at inflated values.

This just does not make sense. And, to add insult to injury, the government proposes now that we should go on paying tolls on the bridge for I don't know how many years. Maybe it will be a century. If what was said by the hon. member for Nanaimo (Mr. Cameron) with respect to the Quebec bridge is any criterion, then we can expect that perhaps 50 years from now we will still be paying tolls on the Jacques Cartier bridge and the Victoria bridge.

I suggest that for these reasons we ought not to be treating the matter lightly, but that we should be giving it most serious consideration while at the same time giving all honour to those hon. members who have raised the question in the house. I hope they will not withdraw their motion, and that it will be possible for them to hold out so as to get a vote. I would like to see a vote, and if there is one I shall support the resolution, because I feel that in the interests of the people of the province of Quebec, and for that matter of the whole of Canada, those tolls ought to be removed. I do not want to delay this matter, or to talk it out. My

only wish is to express my views sincerely, and I shall now give way to anyone else who wishes to take part in the debate.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I shall take only a moment. My only reason for speaking is that we have heard from practically every province in Canada, and I feel that if I were to sit here and say nothing people might think I agree with the principle of tolls on bridges.

For the minister's benefit I should like to say that when you have the provincial government of Quebec, the city of Montreal, the national harbours board, and perhaps the president of the Canadian National Railways on top of that, you have a pretty hard aggregation to come to an understanding with. I appreciate the minister's position. It may be just as difficult for him to get an understanding with the people concerned as it is for hon. members here to get an understanding with the minister. I do not believe he is in a position to give us a lucid answer to this question because of the people who are involved in coming to an understanding on the matter.

I am going to support this motion for this reason. I am affected by the Jacques Cartier bridge. Any time I go home and take a car with me I go down through the eastern townships and cross that bridge. When I return by car I come up that way. At times I have been in line there for at least half an hour waiting my turn to get across that bridge. I agree with what the hon. member for Peace River (Mr. Low) has said. I have seen hundreds of United States cars lined up to pay a tax to enter the city of Montreal. They are people who would perhaps proceed to the rest of Canada and leave a lot of money behind them. After the inconvenience they experience on their first visit by being held up at the border and asked to pay an entrance fee, I do not think it encourages them to come back.

The other reason I think the matter should be taken in hand by the government and by the minister's department, and an understanding arrived at, was given by the hon. member for Peace River. The financing of the Jacques Cartier bridge as outlined by him is ridiculous. It seems that the longer you have to pay tolls on that bridge and the longer you continue to finance it in the way it is done at the present time, the more you will owe 50 years from now. This resolution should be voted upon. This house should unanimously pass this resolution, because it would strengthen the minister's hands.

We have been discussing this matter for eight years. It has been on the order paper for that length of time. It has been thoroughly discussed in the house on several occasions, and it has been withdrawn each time. It has not been voted upon. As far as the Minister of Transport is concerned, he has left the house in exactly the same position it was in when the discussion opened.

If this matter is voted upon and hon. members tell the minister that as far as they are concerned they are prepared to abolish tolls on the Victoria and Jacques Cartier bridges, then he will have an ultimatum from the House of Commons. He will then be in a position to meet with the representatives of the city of Montreal, the provincial government of Quebec, the national harbours board and the Canadian National Railways and say that something has to be done about the matter. He will be able to tell them that the next time he appears before the House of Commons and this matter comes up he must be in a position to give a more reasonable and concrete answer to the house than has been given up to date. If for no other reason than that I hope we are not going to take the weak attitude we have taken in the past and withdraw this motion. This discussion should not be looked upon as a gesture to the constituencies from which the hon. members come who have raised the matter. We should show that we mean business on it.

I am not going to talk this matter out. Five minutes remain, and I presume the hon. member for St. Mary wishes to close the debate, but I would follow other hon. members and suggest to him that he do not withdraw this motion at the present time. Let us tell the Minister of Transport that we mean business and we are giving him an ultimatum to go to the people concerned, when he has to discuss this matter, and get an answer back to this House of Commons when this matter comes up again.

Some hon. Members: Question.

(Translation):

Mr. Hector Dupuis (St. Mary): Mr. Speaker, I believe that I have the right to reply in order to explain part of my speech and complete remarks that may have been wrongly interpreted by the house. I believe that is my privilege to do so.

Mr. Speaker: Does the hon. member wish to give a few explanations and perhaps conclude by withdrawing his motion?

Some hon. Members: Question.

Mr. Dupuis: Now, Mr. Speaker, I asked you a question. In my humble opinion, I have the right to explain certain points that may have been misinterpreted by members of the house. No hon. member has a right

to call me to order or ask me to withdraw my motion or vote on the motion. It is your duty to rule on the point I am raising. I am not as great a parliamentarian as all these people who want to make a ruling on the point. It is within your province to state whether, in accordance with the rules of the house, I am entitled to continue my remarks and give explanations pertaining to the motion I have submitted today. I am awaiting your ruling.

Mr. Speaker: The hon. member asks whether he has the right to do a certain thing. Now, the Speaker rules on the various points of order as they arise. A member should not ask questions of the Speaker from his seat in the house.

In rising the hon. member stated that he wanted to give further information about some important parts of his speech which may have been misinterpreted in the discussion that followed. He has the right to do so. I would call his attention to citation 235 of Beauchesne, third edition, which states that a member who has heard certain parts of his speech misinterpreted by hon. members taking part in the debate may rise and give explanations.

(Text):

It may be fair that I should explain the point raised by the hon. member. It is to the effect that certain material parts of the speech he gave have not been interpreted correctly by hon. members who have followed in the discussion. He asked me whether he was in order in explaining these points. I told him that it was not proper for a member to ask questions of the Speaker from the floor, that the Speaker settled points of order as they arose.

On the point that a member may correct parts of his speech that have been misunderstood or misinterpreted, I quoted to the hon. member citation 235 at page 101 of Beauchesne's Parliamentary Rules and Forms, third edition, which is to the effect that:

> A member who, during a debate, has spoken to a question may again be heard to offer explanation of some material part of his speech which has been misunderstood; but he must not introduce new matter . . .

And so on. That is the very matter which the hon. member brought to my attention, and that is the explanation I gave him.

Since it is six o'clock the hon. member will have to continue his remarks at a later date.

BUSINESS OF THE HOUSE

Mr. Drew: Before the house rises may we have the order of business for tomorrow?

Mr. Harris: We shall take up the resolutions indicated by me on the closing night before Christmas, namely the resolution with respect to the Quebec battlefields, the Post Office Act and then the housing bill.

Mr. Fleming: In that order?

Mr. Harris: In that order.

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

HOUSE OF COMMONS

Thursday, January 14, 1954

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

EXPERIENCE IN SOVIET PRISON—REFERENCE TO PRESS REPORT

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, may I be permitted to address a question to the Secretary of State for External Affairs. Has the minister's attention been drawn to an article appearing in the New York *Times* of January 1, 1954, bearing the caption "U.S. Soldier and Seaman recount Soviet Prison Terror"? Has the department checked the accuracy of this statement and, if so, would the minister care to comment?

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. member for Cape Breton South was kind enough to give me notice of this question. I have seen the article to which he refers, and another press report about the same date which referred more specifically to a Group Captain Roy L. Linden, or Linder, of the Royal Canadian Air Force. In each case the reference is to a member of the Canadian armed forces. The Department of External Affairs therefore checked with the Department of National Defence when the story first appeared.

We were told that no member of the Canadian armed forces of similar rank or name to that mentioned in the press accounts has been listed as missing. However, the department is making further inquiries to see whether any light can be thrown on the report.

UNITED NATIONS—INQUIRY AS TO CONVENING OF SPECIAL SESSION

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. Has any decision been reached by the Canadian government yet with reference to the Indian request for the reconvening of the United Nations assembly? Is the minister in a position to tell us the attitude taken by Her Majesty's government of the United Kingdom and by the United States government with reference to these matters?

Hon. L. B. Pearson (Secretary of State for External Affairs): No decision has been taken with regard to this matter, but one will naturally be taken within the next few days. Before reaching a decision we have made some inquiries of the Indian government as to what they expect to be on the agenda at this session of the United Nations assembly that is being called, and we are also consulting with our friends with respect to this matter. We will be able to make a decision within a few days.

TRADE

JAPAN—INQUIRY AS TO PROGRESS OF TREATY NEGOTIATIONS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Trade and Commerce if he will give the house some report on the progress of the negotiations being carried on with Japan, looking toward a trade treaty, and if he will tell the house what instructions the Canadian representatives have received from the government, under which they are working.

Right Hon. C. D. Howe (Minister of Trade and Commerce): All I can say is that the negotiations are proceeding. The instructions given to our committee are to work out a trade treaty which will be advantageous to Canada. The work has been closely supervised. I can assure my hon. friend that as soon as the treaty is ready for signature it will be tabled in the house. I do not know that I can give any further information at this time.

Mr. Fleming: Is there any indication as to when it is expected the treaty will be completed?

Mr. Howe (Port Arthur): I think it will be perhaps the latter part of March.

FLOODS

ST. LAWRENCE RIVER—POSSIBLE FLOODING IN LONGUEUIL AREA

On the orders of the day:

Mr. Auguste Vincent (Longueuil): Mr. Speaker, I should like to ask a question of the Minister of Transport. Is the minister aware of the rising waters of the St. Lawrence river in the vicinity of Montreal, and

also of a newscast over station CKAC at 6.30 p.m. on January 12, suggesting that the government icebreakers would not move above Sorel? This statement has caused considerable alarm in the city of Longueuil over possible damage to be caused by floods.

Would the Minister of Transport tell the house whether or not he is aware of the situation and, if so, what is being done by the Department of Transport to prevent flood damage at Longueuil?

Hon. Lionel Chevrier (Minister of Transport): I thank the hon. member for having given notice that he would ask his question. The position is as follows. Yesterday, January 13, the level of the water at Montreal was 14·9 feet. That is normal winter level. It rose one foot this morning, and there is nothing abnormal about that condition. The officials of the department advise me that they do not anticipate under present circumstances any flooding in the Montreal area.

STEEP ROCK IRON MINES

PROPOSED LINE TO CONNECT ATIKOKAN WITH MAIN CANADIAN PACIFIC LINE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Minister of Transport whether Steep Rock Iron Mines Limited is trying to get a line of railway built from Atikokan across to the main line of the Canadian Pacific Railway? If so, what is the government's attitude toward such a proposal?

Hon. Lionel Chevrier (Minister of Transport): When an application is made by the Canadian Pacific Railway or Steep Rock Iron Mines Limited to the government, it will consider the application and its decision will then be made known.

Thus far no application has been made.

GRAIN

AMOUNT DELIVERED FROM AUGUST 1 TO DECEMBER 31

On the orders of the day:

Mr. H. P. Mang (Qu'Appelle): I should like to direct a question to the Minister of Trade and Commerce with respect to how much grain has been delivered during the period August 1 to the end of the year or up to the present time, and to what extent the three bushel quota objective had been met up to December 31.

Right Hon. C. D. Howe (Minister of Trade and Commerce): When I spoke in Winnipeg some time ago I said I felt confident that deliveries of grain to country elevators could be made to the extent of 300 million bushels. The amount of grain delivered in the country from August 1 last until the end of the calendar year was actually 341 million bushels. I might say that the average deliveries in the same period over the last ten years have been 328 million bushels, so deliveries this year have been well above average in spite of the congestion.

The deliveries under the three bushel quota have been completed at all delivery points, as far as I am aware. I have been advised that this is the case. Good progress is being made toward the delivery of the second two bushel quota, as well as the supplementary quotas. Deliveries are still being made in considerable volume and cars are being loaded in the country at the rate of about 1,000 a day.

Mr. Argue: I should like to ask a supplementary question. Can the Minister of Trade and Commerce say when the very severe restrictions on the shipments of wheat out of local country elevator points is likely to be lifted or altered so the two bushel quota may be marketed? Is the minister aware that for all practical purposes there is now an embargo on the shipment of wheat out of country elevators?

Mr. Howe (Port Arthur): The minister is very well posted on these matters. The embargo on shipment applies to points where the five bushel quota and the supplementary quotas have been delivered. Obviously it is not fair to let these points deliver further grain until all points have reached the same position. There is also a slow-down on the delivery of wheat except where the wheat is delivered under the original three bushel quota. The reason for this is that it is not desirable to use all the elevator space at the lakehead for wheat. There will be demands for barley and oats when the season opens, and it is desired to keep the stocks in reasonable balance. However, I may say that considerable quantities of wheat are being delivered to the lakehead under the regulations now outstanding. The purpose of the regulations is simply to give a fair chance at available storage to every shipper in western Canada.

DUMPING

ALLEGED IMPORTATION OR DUMPING OF VEGETABLES IN MARITIMES PROVINCES

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): I should like to direct a question to the Minister of National Revenue of which I have not given him notice. Perhaps he will take this as notice. Has his department

received complaints with respect to the importation or dumping of United States vegetables in the maritimes provinces? If so, has his department taken any action with respect to it?

Hon. J. J. McCann (Minister of National Revenue): I shall take the question as notice and give a reply later.

ST. LAWRENCE RIVER

MAINTENANCE OF ICE BRIDGES BETWEEN SOREL ISLANDS AND MAINLAND

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): I should like to direct a question to the Minister of Transport with reference to the matter brought up today by the hon. member for Longueuil (Mr. Vincent). Is the government giving any consideration to the maintenance of the ice bridges between the islands of Sorel and the mainland? If so, how long does he propose to maintain these bridges?

Hon. Lionel Chevrier (Minister of Transport): Yes, it is my understanding that the bridges between the islands of Sorel and the mainland will be maintained until January 21. Thereafter it is the intention to have the icebreakers proceed up the river.

INQUIRY FOR RETURN

PORK—AMOUNT PACKED—SALES

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): May I ask the parliamentary assistant to the Minister of Agriculture when I may expect an answer to a question of mine which was passed as an order for return on December 7?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): We were just looking at the question this morning. An answer will be forthcoming before very long.

NATIONAL BATTLEFIELDS

QUEBEC—AMOUNT PAID TO COMMISSION INCREASED TO $125,000

Hon. Jean Lesage (Minister of Northern Affairs and National Resources) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend an act respecting the national battlefields at Quebec to increase the amount that may be paid to the commission from $100,000 to $125,000 during each of the four years commencing April 1, 1954.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Dufresne: There are a few questions I should like to ask the minister regarding the increase in the amount from $100,000 to $125,000. Can the minister tell me how many members there are on the battlefields commission at Quebec?

(Translation):

Mr. Lesage: The commission is composed of the following members: Lieutenant Colonel L. J. Adjutor Amyot, since March 31, 1939; the Hon. Wilfrid Bovey, since July 31, 1947; Lieutenant Colonel Oscar Gilbert, since May 2, 1938; Reverend Arthur Maheux, since July 31, 1947; Mr. James Y. Murdoch, Q.C., of Toronto, since January 19, 1949; Mr. William Stobo, since January 19, 1949; Lieutenant Colonel Raymond Garneau, of Quebec, since September 5, 1951. Those commissioners have been appointed by the federal government. On December 23, 1924, the government of the province of Ontario appointed the Hon. William H. Price, of Toronto, and the government of the province of Quebec had appointed, on May 4, 1908, the Hon. Alexandre Taschereau, who died on July 6, 1952, leaving a vacancy.

Mr. Dufresne: Could the minister tell me whether the commissioners receive an indemnity or some kind of expense allowance during the year?

Mr. Lesage: Mr. Chairman, the commissioners do not receive any indemnity. As far as expense allowances are concerned, I must say that I am unable to answer the question at this time. I shall make inquiries in that connection and will give an answer when the bill comes up for second reading.

Mr. Dufresne: Does the minister intend to make new appointments or to replace some of the present commissioners?

Mr. Lesage: Mr. Chairman, the federal government cannot make other appointments, because there are no vacancies. The hon. member for Quebec West (Mr. Dufresne) is much more friendly than I am with the authorities of the province of Quebec and the only vacancy on the commission must be filled by the government of the province of Quebec.

Mr. Dufresne: Mr. Chairman, I shall not discuss my relations with the government of the province of Quebec and I shall let the

said authorities make the appointment they deem advisable in that connection.

Could the minister tell me exactly what purpose the increase requested in the resolution will serve?

Mr. Lesage: Mr. Chairman, in 1948, the act was amended by parliament with a view to granting a subsidy of $100,000 to that commission for a ten-year period ending March 31, 1958. Since 1948, however, when that amendment was brought in, maintenance costs have increased by more than 25 per cent. In other words, the wage level, the cost of necessary stores and supplies have increased by more than 25 per cent, so that during the last few years, the commission has been unable to pay its workers salaries equivalent or equal to those prevailing in the Quebec district for the same kind of work. Moreover, the area of the battlefield park, which was in 1948, I think, 157 acres, has since been increased to 232 acres.

Mr. Dufresne: According to what the hon. minister just said, Mr. Chairman, salary increases are being considered. It is exactly the point I had in mind, because I have received representations to the effect that the wages paid by the battlefields commission to its workers not only did not constitute a fair remuneration for the work done, but also, and more particularly, were lower than the cost of living. Is that the meaning of this request for this extra $25,000 made by the minister on behalf of the battlefields commission? Should this be the case I would like to congratulate him on this proposed increase to the workers employed by that body. I hope that this is the case. I am quite willing to add an extra $5,000 in order to ensure that our workers are well paid.

Mr. Lesage: Mr. Speaker, I hope that there will be no misunderstanding. It is not up to the Minister of Northern Affairs and National Resources to set the salaries of the workers employed by the battlefields commission. That is up to that body itself, within the limits of its budget. And that depends largely on the amount of the annual grant it receives from parliament.

Mr. Dufresne: Such being the case, Mr. Speaker, I would like the hon. minister to use his influence with the commissioners so that they will give as much as possible to our workers.

Mr. Dupuis: It would be better than to consult the Quebec provincial government which does not pay its employees.

[Mr. Dufresne.]

(Text):

Mr. Pouliot: Mr. Chairman, there is one thing I regret with regard to the Quebec battlefields. These battlefields are located on the Plains of Abraham in the western part of the city of Quebec near the Quebec jail. What astounds me is that the monument to the memory of Wolfe and Montcalm, which bears a fine inscription in Latin, is not located on the battlefields but is to be found in the governor's garden west of the Chateau Frontenac, a distance of approximately two miles from the battlefields. There is no monument to the memory of Wolfe and Montcalm on the battlefields. They have been honoured by a monument located in this other place, which may have been the right place before Sir Wilfrid Laurier established the Quebec battlefields commission. I suggest that a new monument should be erected on the Quebec battlefields to commemorate the memory of both the victorious and defeated generals.

There is a monument to the memory of Montcalm located on Grande Allee in Quebec city, half-way between the Wolfe and Montcalm monument and the battlefields. I wonder if it would not be possible to transfer that monument to the battlefields. I know it would be quite impossible to transfer the monument to Wolfe and Montcalm in the governor's garden in Quebec city to the battlefields, but there should be a decent and appropriate monument commemorating these famous deeds of the past.

If there are any direct or collateral descendants of Wolfe or Montcalm now living in Canada they should be given preference for appointment as trustees or members of the Quebec battlefields commission, without any consideration of political partisanship.

Mr. Lesage: Mr. Chairman, I shall certainly look into the possibility of transferring this monument. However, I should like to point out that there is a monument to the memory of Wolfe at the main entrance to the battlefields, and there is also a monument to General Montcalm near the battlefields on Grande Allee, across the street from the Saint-Cœur de Marie church. However, I shall certainly look into the matter.

Mr. Dufresne: As a suggestion has been made by the hon. member for Temiscouata, would it be possible for the hon. member for Quebec West to make another one?

An hon. Member: Move the battlefields.

Mr. Dufresne: We will not move them to New Brunswick; we want to keep them in

Quebec. There is in Quebec city a committee which is working to get the necessary funds to erect a monument to a great Canadian and former prime minister of Canada, Sir Wilfrid Laurier. Sir Wilfrid Laurier created the battlefields commission of Quebec, and I would suggest to this committee that the monument to Sir Wilfrid Laurier should be erected on the battlefields.

Resolution reported, read the second time and concurred in.

Mr. Lesage thereupon moved for leave to introduce Bill No. 167, to amend an act respecting the national battlefields at Quebec.

Motion agreed to and bill read the first time.

POST OFFICE ACT

AMENDMENT TO INCREASE POSTAGE ON LETTERS AFTER APRIL 1, 1954

Hon. Alcide Cote (Postmaster General) moved that the house go into committee to consider the following resolution:

That it is expedient to amend the Post Office Act to increase the rates of postage on letters posted in Canada from the 1st day of April, 1954,

(a) on each letter for delivery within the postal area in which it is posted, from three cents to four cents for the first ounce or fraction of an ounce, and from one cent to two cents for each additional ounce or fraction of an ounce, and

(b) on each letter posted within one postal area for delivery in another postal area from four cents to five cents for the first ounce or fraction of an ounce, and from two cents to three cents for each additional ounce or fraction of an ounce.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, will you put the question, please, and call for the yeas and nays on this motion?

Mr. Speaker: First of all I have to put the motion. Those in favour of the motion please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed 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. Cote) which was agreed to on the following division:

YEAS

Messrs:

Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Benidickson
Bennett (Grey North)
Bertrand
Blanchette
Boisvert
Boivin
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Boucher (Restigouche-Madawaska)
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Cauchon
Cavers
Chevrier
Claxton
Cloutier
Cote
Crestohl
Croll
Dechene
Demers
Denis
Deslieres
Dickey
Dumas
Dupuis
Eudes
Eyre
Fairey
Forgie
Fraser (St. John's East)
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingues
Gour (Russell)
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Leduc
Lefrancois
Legare
Lesage
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McMillan
Mang
Masse
Matheson
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Pouliot
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Villeneuve
Vincent
Weaver
Weir
White (Waterloo South)
Winters
Wood—136

NAYS

Messrs:

Adamson
Aitken, Miss
Argue
Barnett
Bell
Bennett, Miss (Halton)
Blackmore
Blair
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Casselman
Castleden
Charlton
Churchill

Coldwell	McCullough (Moose Mountain)
Coyle	McGregor
Diefenbaker	McLeod
Dinsdale	Michener
Drew	Mitchell (London)
Dufresne	Monteith
Ellis	Montgomery
Fair	Murphy (Lambton West)
Fairclough, Mrs.	Nesbitt
Ferguson	Nicholson
Fleming	Nickle
Fulton	Noseworthy
Gillis	Nowlan
Girard	Patterson
Green	Perron
Hahn	Poulin
Hamilton	Regier
Harkness	Robinson (Bruce)
Hees	Rowe
Hodgson	Small
Holowach	Stanton
Howe (Wellington-Huron)	Starr
Johnson (Kindersley)	Thatcher
Jones	Thomas
Knight	Trainor
Knowles	Tustin
Leboe	White (Hastings-Frontenac)
Lennard	Winch
Low	Yuill
Macdonnell	Zaplitny—77.
MacInnis	

Mr. Goode: I was paired with the hon. member for Medicine Hat (Mr. Wylie).

The house went into committee, Mr. Applewhaite in the chair.

Mr. Cote: Mr. Chairman, this resolution proposes an amendment to the Post Office Act to increase the rates of postage in the way indicated in the resolution itself, namely:

(a) on each letter for delivery within the postal area in which it is posted, from three cents to four cents for the first ounce or fraction of an ounce, and from one cent to two cents for each additional ounce or fraction of an ounce, and

(b) on each letter posted within one postal area for delivery in another postal area from four cents to five cents for the first ounce or fraction of an ounce, and from two cents to three cents for each additional ounce or fraction of an ounce.

It has been the policy throughout the years for the postal service to pay its way and not be a burden on the general taxpayer. As a matter of fact, through the years we have usually had a slight paper surplus. Now we are faced with certain heavy additional expenditures which the department has to meet. The five-day forty-hour week will cost the Post Office Department $5 million. The salary increase which went into effect on December 1 will cost the Post Office Department $7 million. The improvements authorized by parliament for rural mail carriers will cost the Post Office Department $1,500,000. These three items alone amount to $13,500,000. Expected net revenues from the increase in postage rates will be approximately $14 million, leaving only $500,000 to take care of possible normal increases in the price of basic materials and services which are essential for the operation of the postal service.

I think everybody will agree that the heavy additional expenditures aforementioned must be paid. Therefore increased revenues are necessary. If these additional funds are not obtained through a reasonable increase in postage rates they will have to be obtained in some other way. I believe everyone will also agree that the most equitable arrangement is for the cost of service to be borne by the users, and this is exactly the object of the present resolution.

Mrs. Fairclough: Mr. Chairman, I think it was made apparent to the house when this proposal was announced by the Minister of Finance that we would be opposed to any increase in postal rates at this time. I recall that at that time the Leader of the Opposition spoke briefly and in the course of his remarks said that the claims made by the Minister of Finance with respect to the feeling of the people of Canada that the department should pay its own way were not, in his opinion, true, and could not be proved. In part I should like to review his words on that occasion. He said, as will be found at page 692 of *Hansard* for December 8, 1953:

Throughout the years the speeding up of business communication, the speeding up of personal communication, the speeding up of human contacts, whether it be by mail, telephone, telegraph or any other means of communication, has in itself been an essential part of the material advancement of society. There are few aspects of our social and business contacts which mean more to our people than the efficient delivery of mail at a cost which is consistent in every way with the general public interest. I would have hoped that before a decision of this kind was made, which creates still further differentials between our own postal costs and those of our neighbours in the United States, we might have had some consideration of the possibility of dealing with this problem in another manner.

The Postmaster General has now said that this is the only way in which the increased costs of the department can be met. I should like to reiterate the opinion of my leader expressed on December 8. It is our opinion that mail delivery is a service which the taxpaying public has a right to expect the government to provide, and that the taxpaying public does not necessarily expect that the department which provides this service shall be self-sustaining. Quite apart from being self-sustaining, it has in the past few years been profit-producing. These profits, I presume, have gone into the general revenues of the government and have been used for other services which the government provides for the people of the nation. Therefore I see no reason at all why the government should be in such a mad rush to offset any possibility of loss in the department by

increasing rates before they have found out whether or not they are going to need the extra revenue.

Certainly the government does not take this attitude with regard to the Canadian National Railways. It does not take this attitude with respect to Trans-Canada Air Lines, and certainly not with regard to the Canadian Broadcasting Corporation.

Mr. Lennard: I should say not.

Mrs. Fairclough: As a matter of fact, so far as T.C.A. is concerned, the Post Office Department was called upon to accept a rather heavy charge for first class mail which, if one wished to be cynical, might very well be described as a backhanded subsidy to T.C.A. which prior to that time had not been doing so well in the revenue department.

There are other matters to consider with respect to the revenues of the Post Office Department. Those people who consider that the department should be self-sustaining might very well take a look at the report of the Postmaster General for the year 1946 which, as far back as that time, drew attention to the tremendous cost to the department of the franking privilege enjoyed by government departments generally. In the report for that year appears this statement:

> The franking privileges enjoyed by various government departments deprived the department of revenue, approximating $4,700,000 . . .

As far back as 1946 the amount was nearly $5 million. I draw the attention of the committee to the amount estimated by the Postmaster General in the latest report. It is only an estimate, I suppose what one might call an informed estimate; nevertheless in the report which came into our hands not long ago the Postmaster General concedes that for the fiscal year ended March 31, 1953, the franking privilege alone still costs the Post Office Department well over $4 million, actually $4,129,770.

I am always amused by these estimates which manage to get down to within $10 of what they are supposed to be. If an estimate is going to be made, then I wonder why they do not just say four and a quarter million dollars, or something like that. If there are figures to substantiate the estimate, why not give them in detail?

Mr. Diefenbaker: That is a "guesstimate".

Mrs. Fairclough: My hon. friend says that it is a "guesstimate". It is true that the revenue calculations of the department would be materially altered, whether any actual cash transfer took place or not, if the department were credited with the amount of postage which would normally accrue to it from those various departments of government which load the mails with all sorts of material, some of which is necessary and some of which is straight propaganda. From personal experience I know that the mail from government departments which comes to the desks of business people in this country is so voluminous that it cannot even be scanned and, most appropriately, finds its way into the waste paper basket. Some of it, Mr. Chairman, is pure junk.

Mr. Fleming: Ministers' speeches.

Mrs. Fairclough: Yet it passes through the mails under departmental franks. I suggest that before considering any increase in postal rates these amounts should be calculated accurately by the departments concerned and credited to the revenues of the Post Office Department.

In the report for last year, to which I have just referred, the revenue is shown at almost $130 million and the expenditures at almost $123 million, leaving a profit of about $6,500,000. As a matter of fact the actual amount is $6,471,053.31. Despite the fact that it was expected the department would have much less revenue last year than it had the year before, this was the result. As a matter of fact at one time another "guesstimate" was made that the profit would be reduced from the approximately $6,500,000 of the year before to something like $4 million last year. In spite of that, however, the profit was only about $150,000 less than it had been in the preceding year, and this despite the fact that a great deal of the first class one-ounce mail had gone by air to distant parts of Canada and, as I said before, had thereby given an indirect subsidy to Trans-Canada Air Lines, one which they sorely needed.

What interested me more than anything else in the remarks of the Minister of Finance was the fact that the blame for what the minister described as this necessary increase in the postage rates was based largely upon the intention of the government to inaugurate a five-day forty-hour week among its employees. The Post Office Department is not the first department whose employees have been placed on the five-day basis. I cannot recall that in any other instance a department has been told that it must produce revenue sufficient to pay for this change in the working conditions of its employees. Because the Post Office Department is the only one producing revenue in this way, apparently it is to be saddled with the cost of changing working conditions in that department so they will be in line with other departments of government and with industry generally throughout the country.

The minister has said that it will cost $5 million to put this plan into effect, and that it will cost another $7 million to increase the wages of the employees in the department. Well, he had a profit last year of $6,500,000. The franking privilege costs almost $5 million. Then it is proposed to drop about $650,000 by reducing the air mail rates from 7 cents to 5 cents. On the basis of the number of pieces, shown in last year's report at 32,808,019, this would amount to $650,000.

These sums add up to $12,250,000. The minister has been talking about having only another half million dollars to play with. I think if there is any playing to be done he might consider that the average taxpayer, the average person who uses the mails, would like to join in the game. Certainly that is true so far as the individual is concerned. We know that the excise tax was taken off cheques, but this did not affect a great many of the people in Canada.

Mr. Cote: We lost seven and a half millions on account of that.

Mrs. Fairclough: Very well; but how many people did it affect? There are many people in this country who do not issue a cheque from the beginning to the end of a year, a great many of them.

Mr. Cote: I presume my hon. friend does not suggest that we should restore the excise tax to that extent?

Mrs. Fairclough: I am merely trying to give the picture that I have found in the last little while. I am stating the individual did not benefit to any great extent or to any marked degree by the abolition of the stamp tax on cheques. The individual, speaking generally, will not benefit to any marked degree by the reduction of the air mail rate from 7 cents to 5 cents, because the number of letters which the average individual will mail in the course of a year in respect of which air mail service would be helpful would not be very great.

True, air mail speeds up the service for business mail; but most business houses now use air mail anyway, wherever they think it is necessary. It seems ridiculous that a letter can travel across this country and be delivered in Vancouver at the same cost as a letter delivered in the next town—and that it will arrive there probably a full day ahead of the letter sent to the next town. Certainly that has been our experience, in this part of the country at least. It is not at all uncommon to find a letter taking two or three days to move from one address to another in a city. It is not at all unusual to have mail taking three or four days to reach a neighbouring town.

It seems to me I recall some newspaper comment to the effect that if you want your mail to reach its destination in a hurry you had better get into your car and deliver it personally. We have just about reached the point where we are subsidizing mail delivery of those pieces which go to the far corners of the country by increasing the postage rates on the mail delivered within reasonably short distances of the point of mailing.

I do not think this drop in the air mail rate is even going to benefit business to any marked degree because, after all, it is an expense chargeable against the revenue of the company, and of the net profit of that company the proprietors pay a sizeable portion to the income tax department. When the whole thing is calculated the business itself will not be affected very materially. Likewise they will not be affected very materially because the first-class mail rate goes up. They do not have to worry. The common attitude is that it does not matter, Mr. Abbott takes half of it anyway. Therefore it all boils down to the fact that the individual in this country gets caught between the opinion of the government that this department must pay for itself and the nonchalant attitude of business generally on the matter of increased rates.

All of this, or a large part of it, comes about because it has been finally recognized that the salaries paid to the employees of the department were too low, and the conditions under which they worked were not in accord with conditions generally in the country.

I might point out that although the postage rates are being increased in this country, we are shortly to consider some other legislation of another department which has a bearing on these matters also. I drew to the attention of the Postmaster General in 1953, when the estimates were under discussion, the fact that a letter carrier earning $2,850, which at that time was the maximum, was not considered a good financial risk by Central Mortgage and Housing Corporation for a loan on a house in order to put a roof over his family. I believe the maximum has now been raised to $3,060, but he still will not be able to buy a house under Central Mortgage and Housing Corporation because the requirements are such that his maximum salary falls far short of the minimum which must be made in order to qualify for a loan.

We used to be able to buy many things for a nickel in this country. There are no longer many things you can buy for a nickel. My friend beat me to it—you can now post a letter for a nickel, or you will be able to do so after April 1. If there is one thing that will cost us too much it is nickel postage.

Even the four-cent rate failed to give us the service which the people of this country have a perfect right to expect from a department which is charged with the responsibility of maintaining the lines of communication across this nation and internationally.

It is not so long ago that in an effort, so it was said, to economize within the department the two-a-day delivery was abolished on residential walks in municipalities and urban centres, and one-a-day deliveries took their place. I suppose this one-a-day delivery has a great deal to do with the poor mail service we are now receiving in urban centres, because if the letter is cleared in the post office after the one delivery has gone for that day, then of course it stays there for another 24 hours.

Many peculiar situations arose as a result of that move. It was found that a great many places of business were situated on residential walks. Since that time some of those defects have been rectified. In places where it was found that a great many businesses were on residential walks some adjustment was made and the two-a-day delivery was reinstituted in those instances.

However, during the time these people were receiving one daily mail delivery, with a consequent disruption in their business processes, some of them, in an attempt to correct the situation themselves, tried to obtain post office boxes. To their dismay they could not even obtain post office boxes in the city of Hamilton because the post office was all filled up. Therefore they had no alternative but to sit and wait for 24 or 48 hours for their mail to be delivered to them. In some instances this meant that cheques in the mail, which should reach the banks, were delayed for a matter of 48 hours. And if it should happen that the cheques were received on Saturday, the banks were closed and naturally they had to pay interest charges on the overdraft, if they had one, for the ensuing three days, during which time they should have been able to make their deposit, as the customer intended when he mailed the cheque.

I suppose this does not sound like a terrible increase, when you add one cent to an existing rate; but I should like to point out, Mr. Chairman, that on drop letters the raising of the rate from 3 cents to 4 cents for the first ounce and from 4 cents to 6 cents for the second ounce means an increase of 25 per cent in the former case and 50 per cent in the latter. In the matter of other mail, raising the rate from 4 cents to 5 cents for the first ounce and from 6 cents to 8 cents on the second ounce means 25 per cent in the first instance and 33⅓ per cent in the second. It would be a very reckless businessman who would increase his prices to that extent in one jump.

As I said before, we have suffered by reason of the decision of the department to put in the one-a-day delivery in urban centres. We have had less service; we have had higher postage rates; we have had delays, which I mentioned before. It practically boils down to the fact that the only appropriate thing about the proposals which have been made is the date on which they are to take effect, because the people of Canada are certainly going to have a proper April fool.

There is no guarantee of better service. Not so long ago I asked whether the two-a-day delivery would be reinstituted. The minister is quoted as having said that he could not see it in the immediate future. There is no guarantee that the Post Office Department will benefit by the allocation to it of revenues which should normally reach this department; there is no guarantee that Trans-Canada Air Lines will be allowed to flounder along on its own revenue without leaning heavily on the Post Office Department. The only thing we have is just an increase in rates on April fool's day.

Mr. Cote: I want to give some explanations. I think it would be practical for all of us to study the whole problem. At the end of the year we expect to have a deficit of $1 million. This deficit will be brought about because we have lost $7,500,000 through the removal of the excise tax on notes and cheques. Formerly we received that amount of revenue through the sale of stamps to the general taxpayers. I am giving this explanation so we can understand the deficit we are going to have. We had a surplus last year of $6,500,000 but we are now faced with a revenue loss of around $7,500,000. That is the explanation for the deficit of $1 million which we expect to have at the end of this year.

So we start with a deficit of $1 million. That is why I have given these figures, so hon. members may better understand the situation. We have to face the payment of over $13,500,000.

Mr. Knowles: Before the minister leaves that point may I ask if we are to understand that one purpose of this increase is to make up for the loss which arose from that pre-election move of taking off the stamp tax?

Mr. Cote: It might be a good political move to put it that way, but let us be realistic about it. We have to pay $7 million for increased salaries to all the employees of the department. We have to pay the increased cost

brought about by the institution of the five-day week, and that amounts to $5 million. We have to pay $1,500,000 as an increase to the mail carriers. Those three items alone total $13,500,000. Even if we still had the $6,500,000 we would not have enough.

I do not want to take just one item and say we want it for that. We want it to pay the whole amount. This brings me to the answer to the other question put by my hon. friend. She said that I said it was the only way to do it. I did not say that. I said that in my personal view it was the only equitable way to do it. There may be a difference of opinion in that connection, but I cannot see any other equitable way. If the general taxpayer were to be charged with this $14 million or $15 million it would mean that those who were not using the mails would have to pay for those who were using them. It would mean that if my hon. friend sent only one letter a year she would be contributing toward those who buy stamps in great quantities. The ordinary worker would be contributing for the stamps used by big companies like Simpson's, Eaton's and Morgan's. I do not think that would be a fair way to do it, just to take it out of the general taxation fund in order to pay the cost of operating the post office.

That is the way I put it. I say again that I do not say that is the only way. I repeat what was said by the Minister of Finance (Mr. Abbott), that it had been the habit to do this in the past and it is the most equitable way.

I do not contend that the postal service is the best possible; I do not claim that it is perfect in all respects. It is administered by humans, and errors occur for which we are responsible. But every time we find errors we try to correct them. As a matter of fact we invite everyone to point out any errors that may exist, but the fact remains that there are some errors for which we are not responsible.

Let me relate a true story. Recently a man was expecting a cheque, the same thing my hon. friend referred to in connection with other circumstances. When he did not receive that cheque through the mail he called the sender and asked why he had not sent his cheque. The sender said he had sent it, and the other man said he had not received it. The sender then said that he would check the matter, and he called the postmaster. The postmaster asked where he had mailed his letter and he said he had mailed it in the mail box in front of a certain store. The postmaster thought that was strange, because there was no mail box there, and he suggested that they go to look. They both went to that place, and they found that the sender had mailed this letter enclosing the cheque in the municipal garbage can.

They then asked permission from the mayor to open that garbage can, because it had not been emptied for the past few days. They obtained that permission and took the box to the waterfront, because it was Saturday night, where they opened it. They found the letter in question and they also found 19 other letters which had been posted in that municipal garbage can.

Mr. Hamilton: You had better clean up your mail boxes so they do not look like garbage cans.

Mr. Cote: That was an error for which we were not responsible. We are doing our utmost to give the best possible service under the circumstances. If hon. members will look over the reports for the past 30 years they will find that expenditures have been trebled. During that period we have given the best service within our means. We are receiving every day suggestions for the improvement of the service, but many of these entail the expenditure of money. Today we are not against the principle of spending more money, but we must meet the necessary expenditure. We have to meet those expenditures up to the limit. Sometimes we are prevented from doing something we want to do because we have not sufficient money.

My hon. friend mentioned the second daily delivery. She knows my personal views on that matter. I hope that eventually we will be able to do that, but again that would mean an additional expenditure of between $4 and $5 million. We are giving two deliveries a day to the business centres, and it is only when the percentage of business places on a carrier's walk falls below 25 per cent that we give only one.

My hon. friend says this is not the only department with a five-day week. However, I think it is the only department where so many people are employed. Actually we have about 50,000 employees, without counting some 25,000 extra workers hired to take care of the Christmas rush. The five-day week means a terrific amount of reshuffling, switching of hours, hiring of new employees and instructing them how to do their jobs. That is why we have to spend up to $5 million more on that account.

I give these facts only as explanation. The main point is that we are faced with these expenditures. I do not think any hon. member will say that we should not make these

expenditures. I think all will agree that we should pay the increased salaries as of December 1. I do not believe anyone will deny the necessity of implementing the five-day forty-hour week. I do not think anyone will deny that improvements should have been made in connection with the mail carriers which necessitates an expenditure of $1,500,000.

Those three items alone account for $13,500,000. If we agree that those expenditures should be made, then we have to have the funds to make them. We propose to get those funds by means of this increase, as we think it is the most equitable way to do it. If it were done in any other way we would be asking those who do not use the mail to pay for those who do.

Mr. Diefenbaker: How much revenue was lost by the removal of the tax on cheques?

Mr. Cote: I stand subject to correction, but I think it was about $7,500,000. This was first imposed as an excise tax. I would like to reserve the right to correct this figure if I am wrong, but I think I am close to the right amount. That whole amount was between $9 and $10 million a year, but this was a holdover from the first world war. This was an excise tax. At the beginning only blue stamps were used, but gradually the public at large began using postal stamps. There was no direction to that effect within the department, but when this tax was taken off we found we were losing $7,500,000.

Mrs. Fairclough: The minister has made quite a protest against the remarks I made, but at no time did I indicate that we were not in favour of protecting the employees in the postal department. As a matter of fact I made it quite clear that their working conditions should be brought into line with conditions existing in other branches of the civil service and in business generally throughout the country. What the minister has undoubtedly overlooked is that I very definitely said I saw no reason why the employees of the Post Office Department should be blamed for the increase in the postal rates when all the other civil servants have enjoyed the forty-hour week and increases in pay and so on, and I do not think it is—

Mr. Cote: I agree with my hon. friend. I believe she does not want to blame anybody, but I do not want to blame anyone either.

Mrs. Fairclough: But I do not see why the blame should be placed—

Mr. Cote: This is not to blame. This is a set of facts, and there is no blame attached to anyone.

Mrs. Fairclough: You might as well have raised the postal rates when you increased the salaries of the other civil servants. You did not come into the house and say that because other civil servants had received an increase in salary you would have to put up the postal rates.

The Chairman: Order.

Mr. Winch: This is a very important motion which we now have before this committee for discussion, and it is one that deserves the utmost attention of all hon. members. It certainly demands that the minister supply the fullest possible information as to why he thinks this increase in the postal rates is required. I was very disappointed in the paucity of his remarks in introducing the motion because there must be a great many particulars and statistics, policies and policy changes, that go to make up the picture. They should be supplied if we are to have a complete understanding as to the necessity for the increase in the postal rates.

I sincerely hope that before this discussion is through we will get not too many stories, much as I enjoyed the story by the minister a few moments ago, but rather factual information for consideration by members of this house. I was very intrigued with the statement made by the Minister of Finance on Tuesday, December 8, when the minister said, as will be found at page 691 of *Hansard*:

> It is the view of the government that the people of Canada expect the post office to pay for its operations out of postal revenues and not out of taxes.

That same position was taken by the minister this afternoon, and I was looking forward to hearing from him just on what basis in fact they reached that conclusion; or are they merely indulging in wishful thinking when they say that the people of Canada expect the postal services to be on a self-sustaining basis?

I would assume that when the government go to the extent of introducing a motion that calls for the introduction of legislation that will mean a 25 per cent increase in postal rates they would have made a survey to find out if that was the prevailing opinion. If they did so I would like to know just where they made that survey and who conducted it, because I doubt very much if there ever was any survey. As a matter of fact it is almost axiomatic that there was not a survey. Therefore the Minister of Finance and the minister who introduced this motion are merely expressing their own opinion in the hope that they can get away with an increase of 25 per cent in the postal rates.

The minister gave us the information a few minutes ago that the introduction of the five-day forty-hour week would cost the department an additional $5 million over a twelve-month period. I think, Mr. Chairman, we are entitled to some details from the government as to the composition of this $5 million; that is, on what basis and on what policies are the government going to introduce this five-day forty-hour week. It is quite obvious that it is not going to apply to all employees because, if I can refer back to the statement of the Minister of Finance on December 8, the minister had this to say as will be found on the same page of *Hansard* from which I have already quoted:

> . . . the policy of readjusting the working week of operating staffs in the post office, customs and various other operating branches of the public service to the five-day forty-four week where that is the prevailing practice in the locality . . .

I think that makes it fairly obvious, subject to any correction from the minister, that it is his intention in the Post Office Department to follow the policy line that was laid down in circular letter 1953-28, a copy of which was published in the *Canadian Civil Servant* on page 9. This circular was sent to the deputy heads of government departments in Ottawa, and its purpose was to consolidate all the circular letters issued heretofore regarding the year round five-day week. It was an attempt to clarify some of the previous instructions.

In view of the statement by the Minister of Finance before the Christmas recess, and in view of the fact that we have had no indication from the minister at the present time that the five-day forty-hour week in the postal service is going to be on any different basis, we will have to take it that it is on the same basis as that outlined in circular letter 1953-28 on the other services.

That leads to an interesting situation that has not yet been explained by the minister, and it is important that we should know how this $5 million is made up. I have endeavoured to have a breakdown made, not so much of those who will be covered but of those who will not be covered, and it was done by those in the postal service at my request. I may not have the figures exactly correct, but I am sure the minister will understand that. I think they are approximately correct.

There are in the neighbourhood of 162 grade 9 post offices in Canada. Under the policy as outlined by the Minister of Finance, which is I believe the one which is now going into effect, only 12 of these 162 post offices will go on the five-day forty-hour week; and they have an average staff, I believe, of 6. There are 46, or thereabouts, grade 10 post offices in Canada with an average staff of 25. Out of that 46 only 22 will be covered under this new policy. There are 33 grade 11 post offices with an average staff of 40. Twenty-one out of that 33 will be covered. There are 16 grade 12 post offices in Canada with an average staff of 170. Twelve will be covered. From grade 13 to grade 18 we find that all the post offices will be covered by this new policy.

As I understand it, this is the situation, and I hope the minister will correct me afterwards if I am wrong; I know he will. Of grade 9 to grade 18 post offices in Canada there are in the neighbourhood of 274, and only 84 are covered by this order if you follow the circular letter which outlines the policy in the other departments of government. That raises the question of what is going to happen to those in the grades not covered. Are their colleagues in other post offices on the five-day forty-hour week going to get the same take-home pay as when on the forty-four-hour week? That point should be noted. If they are, is any additional compensation going to be granted to those employees in the post offices that are not going to be covered by the five-day week? Is that part of the $5 million? Is there any such policy or plan in the mind of the minister? I maintain that is information which will help us in making up our minds on this matter.

I strongly feel that the minister should take all the members of this committee really into his confidence. Knowing as he must have known that people will not look with favour upon an increase of 25 per cent in postal rates, what has been done to see whether, with the maintenance of efficiency in service, economies could be made in the Post Office Department? Has there been a full-scale inquiry into the operations of the Post Office Department in Canada? It seems to us that before such a far-reaching policy was introduced by the government there should have been a full-scale inquiry into the operations of the Post Office Department; and by that I do not mean an inquiry by post office officials who, fair and decent as they may be and undoubtedly are, would unquestionably be a little bit prejudiced, human nature being as it is, because they are the ones who are operating the postal service in this country and who have been and are responsible for it.

I would respectfully suggest to the minister right now that before this matter proceeds any further there should be established by the House of Commons either a committee or a royal commission to make a thorough and searching examination of all phases of post

office operations with a view to seeing whether, basically, it is necessary to place an additional charge on first-class mail.

Moreover, I believe the minister should take us into his confidence as to what other discussions might be going on right now in the department with a view to trying to pass on these additional costs he mentions, and perhaps put them on the shoulders of the workers themselves. I am informed, I think I can say on quite reliable authority since I obtained the information in Vancouver and it was confirmed here in Ottawa, that the departmental officials—I do not say the minister, because I do not know whether he has been consulted on it yet—are considering whether or not they should wipe out the night differential, which is the time an employee has to put in if he is not on the day shift. As it is now, he does not have to put in his full eight hours; but I am informed that the department is considering a plan to remove that night differential. I think we should be told by the minister whether or not that is correct. If that is so, the government is not only trying to make up this deficit it is telling us about by increased postage, but it is also trying to make up still more by certain policy changes in the Post Office Department.

I think the minister should also tell us whether it is not a fact that the heads of his department are now considering a plan of reclassification of the clerical staffs in the post offices throughout Canada. If so, that too can have a great bearing on the cost of the Post Office Department. These things should be known before members of this house are asked to accept, through increased postal rates, the entire anticipated cost as outlined a few moments ago and reiterated by the minister.

The matter goes beyond that, Mr. Chairman. I mentioned an inquiry because we believe it is vitally necessary. I want to add to the words of the hon. member for Hamilton West on this matter of second-class mail and methods of distribution. I think it goes without question that the second-class postage rate does not meet the actual cost of service and that, basically, the second-class mail is subsidized by the first-class mail. The only reason I can think of why printing firms, newspaper firms and book publishers are subsidized is as a result of what might be termed an accepted principle that a well-informed public is good for democracy and good for Canada. Therefore we assist in getting newspapers, magazines and books into the hands of the people.

If it is a right principle that we should subsidize second-class matter, then let us do it on an honest basis out of the general revenue of the country, and not make it a charge on our postal service. Let us do it right out in the open, say it is a good thing and make it a charge on the general fund. Why should those who want to deal in first-class mail be penalized because of our subsidy to private-enterprise firms? In my estimation that principle applies also to another matter raised by the hon. member for Hamilton West, and brings to mind a phase of operations upon which we should be completely informed by the minister. What kind of check have you made on your postal distributive system? Are you doing it in the most efficient way?

Mr. Michener: Will the hon. member permit a question? The hon. member referred to the subsidy on second-class mail. Does the hon. member disagree with a subsidy for second-class mail?

Mr. Winch: I disagree with the method of the subsidy. I say if we are going to subsidize let it be a charge, according to ability to pay, out of the general funds of the country, and not a charge on those who are sending out first-class mail. That is rank, outright discrimination and should be abolished.

As I was saying, what kind of study has the minister himself made of the postal distributive system in Canada? Are you using the most efficient methods? Are you getting the mail delivered at the lowest possible rate commensurate with good service? I should like to hear from the minister on that matter.

There are a great many things in Canada that should be explained before this resolution gets out of this committee. Are you, indirectly again, subsidizing private companies? Mention was made by the hon. member for Hamilton West of Trans-Canada Air Lines. I should like to mention Canadian Pacific Air Lines and the Canadian Pacific Railway. If it is necessary for lines of transportation to be subsidized then let us do that honestly out of general revenues and admit it, and not hide such subsidies in the Post Office Department. It is an unnecessary charge and it is unfair.

My hon. friend wants to know what I have in mind. It is for him to state how the mail is delivered. Before I left the city of Vancouver to come back to the house I got in touch with the Post Office Department and asked them if I were to send a letter air mail from Vancouver to Calgary how it would get to Calgary. I thought the answer would be by T.C.A. because T.C.A. flies directly from Vancouver to Calgary and has more than one flight a day, which flights take less than three hours. I want to give the minister

the information I was given. I was told that it would go by Canadian Pacific Air Lines. If that is correct I do not know of any direct C.P.A. flight from Vancouver to Calgary. There are two C.P.A. flights a day from Vancouver to Calgary via Penticton, Castlegar, Cranbrook and Lethbridge. It is an all-day flight.

An hon. Member: Maybe they do it cheaper.

Mr. Winch: My hon. friend says maybe they do it cheaper. Let me tell him that if Canadian Pacific Air Lines can operate an all-day flight over three times the distance cheaper than T.C.A. can fly from Vancouver to Calgary, then it is time we did something about the operation of T.C.A.

Has my hon. friend ever thought of finding out how train mail proceeds from Vancouver to Prince George? The main line of the Canadian National Railways across Canada ties in at Red Pass with the Grand Trunk line running north to Prince George, which is operated by the C.N.R. That seems to be the logical route, does it not? Check up and find out whether the mail always goes that way or whether or not it goes by another railroad and then has to be transferred to a train that eventually gets to Red Pass in order for that mail to proceed to Prince George. These things should be checked.

I can tell the minister that a number of years ago—I cannot remember exactly, but it is eight or ten years ago, maybe longer—I was on a C.P.R. train going west through British Columbia. The Chase river bridge, east of Kamloops, had collapsed. Mail was coming down from northern British Columbia to Red Pass on the C.N.R. transcontinental line to Vancouver. The Canadian National line was not out of operation. It went straight through to Vancouver and passed through Kamloops. I was there, Mr. Chairman, and mail bags destined to Vancouver were taken off the C.N.R. train and transferred to the C.P.R. station and remained there until the Chase river bridge was again in use and the C.P.R. could take the mail to Vancouver. I was there, Mr. Chairman, and I saw the mail bags unloaded.

Have you made a study of these things? Are you sure? If there are reasons for them, I know the minister will explain the reasons. I expect and anticipate that he will do so. If I am making wrong assumptions I stand ready to be corrected at any time. These things do not look right. I am not going to give any more illustrations, but I could do so all across Canada. I know there are members who can tell you of incidents in their own provinces. There is the case in one province where, instead of mail being carried 30 miles by C.N.R. from one spot in order to proceed thence by air mail, it is taken 300 miles in the other direction by the C.P.R. and comes back by air.

Mr. Cote: Can you give me the details?

Mr. Winch: Yes, and I am sure other hon. members will give the minister details.

Mr. Cote: I am ready to co-operate with my hon. friend. If anybody, not only members but anyone who is interested in the mail service, will tell me about any defects I shall be glad to inquire into any cases that are pointed out to me and correct them according to the circumstances.

Mr. Winch: I am sure the minister will get that information this afternoon.

Mr. McIlraith: On the record?

Mr. Winch: On the record, by the member who mailed the letter. Do you want anything better than that?

An hon. Member: Friends of the C.P.R.

Mr. Winch: What is going on across Canada? What is the state of your distributive organization throughout Canada? Is it on the most efficient basis—

Mr. McIvor: Yes.

Mr. Winch: —and yet providing service at the lowest possible cost? I say these things have not been established by the minister. I say no inquiry has been made by a committee or royal commission or by outside efficiency experts.

Mr. Cote: That has been done.

Mr. Winch: Then the minister should give us the information.

Mr. Cote: It is actually being implemented.

Mr. Winch: You say so. I do not know. I have not seen the report. Perhaps we question your judgment. We do not know until you give us the facts. Unless the minister gives us the facts and produces the evidence—

Mr. Cote: I am asking you to give us the facts.

Mr. Winch: You are introducing this bill, not the opposition. You have to produce evidence as to why this measure is required, and my hon. friend has not done that.

The Chairman: Order. I think the debate might proceed in a more orderly fashion if the hon. member who has the floor would address the chair.

An hon. Member: And the minister.

The Chairman: And the minister.

Mr. Winch: Mr. Chairman, I can assure you that at all times I am addressing the chair but I am looking the other way.

An hon. Member: Wrong-way Corrigan.

Mr. Winch: This is a pretty important thing. Basically it is a back-door way of bringing in additional taxation. That is all it amounts to. It is increasing the taxes of the people of Canada.

Mr. Diefenbaker: There is not much back door to it.

Mr. Winch: It is back door in this way, that they do not call it increased taxation although that is actually what it is; and it is a big increase, 25 per cent. According to the minister the increase in postal rates will mean additional revenue of $14 million. It is rather strange to me that if you take the surplus of $6½ million the department had last year and subtract it from the $14 million additional revenue anticipated under the legislation to be introduced, you get exactly the amount of the deficit brought about by removing the stamp tax very conveniently just before the election. Basically the government is trying to cover that up and make up the deficit by an increase in postage rates.

I shall not take too long. I think this matter requires much more study. I am convinced that we have not been given all the facts yet by the minister. I am further convinced that no such action as an increase in postal rates should be contemplated until there has been a full scale inquiry, and I say the government should reconsider its own point of view from the basis that the people of Canada have never taken the position that the postal service should be self-supporting.

It is rather a coincidence that almost exactly the same kind of debate is going on in the United States, where their government want to increase postal rates. But they at least did something that has not been done in Canada. They did appoint a committee of inquiry. Of course the amazing thing is that they are talking about increasing the postal rates before the committee of inquiry in the United States has made its report. This is not only amazing, it is fantastic, I should say. But the fact remains that over there they did appoint the committee, while in Canada we have not got even that much.

Because there is almost an identical situation between these two countries I think it would be worth while to quote from an editorial which appeared in the *Red Book* magazine of January of this year. To my mind the situation in the United States therein described is applicable in Canada. With your permission, sir, I should like to quote from this editorial, which is headed "Your Right to Know". This is what it said:

> Should the postal service be self-supporting—pay its own way, or most of it? Should balancing the account books be more important than providing inexpensive service?

Actually, Mr. Chairman, I am reading this for the benefit of the minister, and if you do not mind, sir, I shall wait until he can listen to me.

Mr. MacDougall: Oh, go ahead.

Mr. Gauthier (Portneuf): Do not take yourself so seriously.

Mr. Winch: I am glad that these hon. members are at least taking note of what I am saying. However, if I may I shall wait until I have the attention of the minister. The article is as follows:

> Should the postal service be self-supporting—pay its own way, or most of it? Should balancing the account books be more important than providing inexpensive service?
>
> "No", has always been the answer of the American people, who have rejected this concept every time it has been pushed.
>
> Newspapers and magazines comprise second-class mail. They are carried by the post office at second-class rates because, from the beginning of the republic, the idea has prevailed that the people must be kept informed if the nation is to remain unified and free. One open question involves the relationship between second-class service and first-class service. The United States postal service was established primarily for the collection and delivery of first-class mail, and this is still its main function. First-class mail comes first, gets the fastest and safest handling at every stage, and determines the sizes and locations of post offices and routes. Second-class mail, by its very name, gets handling which is secondary to letter mail.
>
> It has always been an erroneous theory in the history of the postal service that it was established or sustained on the principle that it should be self-supporting. Not for many years has anyone seriously challenged the historic philosophy of a postal system based on service rather than cost. This magazine believes that, before upsetting a system which has proved to be so successful for so long, the people and their representatives should wait for the Carlson committee's report and then consider it carefully.

I shall conclude by saying that I agree with these last words in the editorial:

> Let us not hastily cast away the greatest information exchange the world has ever known.

I suggest to the government and the minister that they listen very carefully to the words in this editorial, and recognize that the postal service is a service to the public, just as is the furnishing of roads and other public services. No one expects those services to be self-supporting; yet transportation and communications are some of the most vital requirements in a society. A cheap postal service is the backbone of democracy. Unless

we get more information, let us turn down the motion until a great many more facts are known and an inquiry has been completed.

Mr. Fair: Mr. Chairman, I have listened attentively to the debate which has taken place thus far and the statements of hon. members. I expect we will hear a good deal more before the resolution is passed, and more again before the bill is passed after its introduction.

I was somewhat surprised to hear my hon. friends to the right put up the case they did this afternoon because we know that for a great many years we have heard them refer to the Post Office Department as one of the great examples of public service and public administration.

I am not sure whether all the arguments have been placed before the committee. I had intended to state many of the things said by the hon. member for Hamilton West and the hon. member for Vancouver East; but, because they have made those observations I shall not waste time by repetition. No doubt many others will wish to speak before the bill is introduced.

I believe the administration of the Post Office Department can be improved. It may be that many experts have gone over the situation; but, to my knowledge, some of the things they have done were very foolish when they have had the result of cutting out the mail service to some people while at the same time giving others an advantage in that service.

I believe we can modernize and streamline the administration of the Post Office Department. Before the legislation becomes law we should, in my view, look into some of the points made this afternoon by the hon. member for Vancouver East. He gave instances where mail is routed for the benefit of certain carriers. For instance, isolated areas in the Peace river country send their mail to Edmonton for delivery in Vancouver. At the same time, while we have a Canadian National train going to Vancouver every day, we find the mail is sent to Calgary so that the Canadian Pacific can carry it—and possibly make delivery a day later.

Conditions of that kind should be looked into. While I believe we should have adequate mail service, I also believe we should cut out waste before making any addition to our taxation so far as postage rates are concerned. A 50 per cent increase is a stiff one; it is hard to take. While my sympathies are with the minister at this time, in anticipation of the number of questions he will be asked to answer, my sympathies must be transferred to the taxpayers of this country who on April 1 will have to pay their taxes. That date will sneak up on us and we will not know the first thing about it. We are now asked to pay this additional taxation.

In the United States postcards are mailed for two cents. I sent some while I was down there, and became familiar with that fact. We know that in Canada we have to pay three cents. In the United States first-class mail carries a rate of three cents, while in Canada the rate is four cents.

I wonder if any investigation has been made of the system operating in the United States. If not, perhaps we could take a leaf out of their book, because in other matters we seem to follow them to some considerable extent.

I should like to say a word on behalf of those parts of the country, from the Atlantic to the Pacific, which in the past have been sadly neglected. I have special reference to the rural post offices as well as the post offices in the small towns. I have received complaints from postmasters who have made applications to the Post Office Department for equipment such as work tables, cancelling machines and the like. An inspector has come along from Edmonton and approved those applications; but when they reached Ottawa they were turned down.

Little things like that would not amount to much, so far as expense is concerned. I would suggest, further, that rural and small town postmasters should be paid decent wages instead of the ones they are receiving at the present time. I have received many complaints in that connection. Then, in those cases where rents are being paid for the use of buildings to house the postal service, I suggest the rates be looked into and elevated to their proper amount, or to a point where they will bear some relationship to other rents paid in those areas. Perhaps these things do not matter very much to some hon. members or to the department. Those of us who live in these districts know very well what is happening.

Take the extra help provided to the post office. I was told last summer by one postmaster that he is allowed 50 cents an hour to pay experienced post office help when he needs extras. I am advised by the hon. member for The Battlefords that they received two cents an hour increase at Christmas. That is not enough. We do not find anybody, even the workmen doing the roughest kind of labouring work in this city or in any other city, working for 50 cents an hour, or for double that amount even. It is time that these things were looked into.

In connection with rural mail, at the present time I have a constituency which covers approximately 7,500 square miles. We do have rural mail service in part of that territory, but in all that territory, with the exception of two rural routes out of the Camrose territory, we have two mails a week. I wonder whether that is good enough for our people, namely, the farmers who are producing the greatest share of wealth in this country. I do not believe it is. They should be taken into consideration when the minister is spending the additional money that he hopes to collect on account of this rate increase.

I do not suppose I should speak longer on this question at this time. A great deal more will be heard on it before the bill is passed. If we must have additional money may I suggest to the government that in order to cut down on car accidents and prevent further loss of life we might transfer some of the taxes obtained from liquor and tobacco. It would also prevent a number of fires that are occurring in this country. These two methods of taxation might be looked into to take the place of the proposed increase. I am not in favour of this increase if there is any other way to obtain the needed revenue. But I do feel that we should continue to have good mail service in this country.

Mr. McIvor: May I make a few remarks? I congratulate the minister on having the courage to bring in an unpopular piece of legislation, even though it is honest and needed.

Mr. Castleden: Right after the election.

Mr. McIvor: There are not many people in Canada who think that our post office is not doing a fine job. I do not think I wrote a letter this year that did not get to its destination, but we want to do everything in such a hurry; we want a letter to get to its destination just a few minutes after we write it.

I know there are a lot of people who did not pay the tax on the cheques, but there are a lot of people in Canada who do not send many letters by air mail or otherwise. The Post Office Department is like any other business; those who use the post office should pay for the service.

When my hon. friend from another part of Ireland was speaking, and he is a real friend of mine, he said he was not going to support this measure if a better way to raise the money could be found. Well, I can suggest another way of helping the post office out. Today we are asking the post office to carry every department of government and to carry every member of the House of Commons and pay for our franking. Let us drop franking and we would have no worry. I do not think that is a very popular suggestion, since I did not see anybody pounding his desk.

Let us think of the Postmaster General and the officials behind him. In my eighteen years' experience I have found the Postmaster General very efficient, and I trust him to be efficient in the future. I would rather pay an extra cent on my mail outside the house than have my franking privilege cancelled.

The Postmaster General will give the facts; he has them, and his officials have them. They have been efficient. I have suggested another way of dealing with our rural mail carriers, but I was not heeded. I shall be at it again on some future occastion, but that is not the question before us at the present time. This resolution should carry one hundred per cent, and I will support it. Thank you.

Mr. Coldwell: May I just say one word, Mr. Chairman? A few minutes ago the hon. member for Vancouver East made some criticism of the manner in which mail is carried between various points, and he referred to an air mail letter that was posted within some twenty-five miles of a city and carried three or four hundred miles away in order that it might be air mailed. I can tell the Postmaster General that I told the hon. member for Vancouver East that story. Several years ago I posted an air mail letter at Asquith, Saskatchewan, which is served by both the Canadian Pacific and Canadian National Railways. The Canadian National Railways had a train running into Saskatoon that same afternoon, and I said to the postmaster: "That letter of course will get out from Saskatoon this evening on the air mail east?" He said: "No; that letter will go to Edmonton to be air mailed east". The Postmaster General and his officials will know of what I am about to say, for I took it up with them several years ago. In the same vicinity you have the Canadian National Railways with its main line running from the east through Saskatoon via Edmonton direct to Vancouver, and yet at the intermediate points at which this train stops—Biggar, for example—no mail is carried. This train carries no mail west of Biggar for the post office because it is sent by the Canadian Pacific Railway line which stops all the way between Saskatoon and Edmonton and then down the C.P.R. line to Calgary and to Vancouver. These are matters that have come

to my personal knowledge. I took the latter up with the department and I do not know whether it has been rectified or not.

Mr. Cote: That was some years ago.

Mr. Coldwell: Yes. I hope it has been rectified. It does seem to me that what the hon. member for Vancouver East suggested, namely, a thorough inquiry into the manner in which the mail is carried and the disposition of contracts to the carriers, should be authorized in order to see if it would not facilitate the service first, and second, whether we might not get better rates perhaps because of the shorter hauls. That is something that should be very carefully considered by this house. I want to support the hon. member for Vancouver East who made that suggestion. I am not criticizing the efficiency of the local post offices or of the postal officials. On the whole we have a very efficient staff in our post offices and we always meet with the utmost courtesy and consideration. I would not have it thought for one moment that any criticism of the work of the department was a reflection on the people connected with that service in behalf of the department itself; but I do say to the minister, I believe this whole matter of how contracts have been allocated for the carrying of mail should be carefully gone into and that every attempt should be made to eliminate favouritism or the subsidization of one company in preference to another. Where it is convenient and more expeditious I submit also that an established bus line should be used.

I have another case of this kind in my mind. A few years ago I took up the matter of having the mail from the southern portion of my constituency moved more expeditiously. A bus line runs from Saskatoon right through Kyle and thence down to Swift Current. It seemed most logical to most people that the thing to do, since there were only two trains a week, was to have the mail carried by that bus line. Instead the mail was given to a private contractor in Swift Current who makes a special trip up to Kyle and then back to Swift Current. It may be my imagination or perhaps evil thought that as the bus line happened to be publicly owned by the province of Saskatchewan there was an aversion to dealing with a publicly-owned institution. To a good many other people that also seemed to be the case.

I believe that the whole matter of the carrying of the mail and contracts should be thoroughly investigated, as well as other facets of the Post Office Department. We want the best service we can get. I believe we have a good staff, and poor service reflects on a good staff. We should not allow that reflection to remain if we can possibly avoid it.

Mr. Cote: Mr. Chairman, I appreciate very much what has just been said by the leader of the C.C.F. party. I am glad he has thrown some light on what happened a few years ago. As was suggested by the hon. member for Vancouver East, after many months of work a report was submitted by J. D. Woods & Gordon Limited, a well-known firm in Toronto who are experts in this line. They studied the whole system and gave a managerial report thereon. Their work was started before I came into the department and the report was received only after I had been there a few months. The implementation of their recommendations was started a short while ago and is still being carried on.

I think the hon. member for Vancouver East has confused C.P.A. with T.C.A. As a matter of fact, air mail is not carried from Vancouver by C.P.A.; it goes by T.C.A. With other cases which may be brought to my attention, I shall look into this. As I said before, we try to correct any errors or defects that are pointed out. Every official in the department has instructions to speed up such matters and try to find ways of correcting any defects.

This discussion is very interesting and the debate may point out some weaknesses in the organization. But it does not change our problem. This resolution is to amend the Post Office Act to increase the postal rate. We may not like doing that; I do not like it myself, but I do not see any other way out. As I think I have said already, I do not think there is any other way that would be equitable.

If we are to deal with this matter realistically I think we will realize that the individual who does not use the mail should not be asked to pay for those who use the mail in a big way. It would not be fair to ask the stenographer in the House of Commons or a worker to bear a share of postage costs of large firms who must face such costs in the carrying on of their business. So far no one has convinced me that this argument is wrong.

So long as we accept the principle that we must pay our expenditures, whether we like it or not I think we will have to go along with it. It is not an easy thing to do. As was suggested a few minutes ago, it is not a popular thing. However, I am not here to do just the popular thing, I am here to do my duty and I feel it my duty to introduce

this resolution because I think it is in the interests of this parliament and of the Canadian public.

Mr. Hamilton: Mr. Chairman, listening to the explanations just given by the minister this afternoon I could not help going back to a remark made by a colleague of mine who said that the minister was such a charming man that the explanations he gave always convinced him that he was right until he could get away to think about them, at which time he came back to his original opinion.

This is an important matter we are dealing with. Our whole social organization has come to depend to a large degree upon the mail. Business in all its branches, the whole nervous system of the modern state, depends upon the quick transmission of information and ideas. We could not have arrived where we are today if it had not been for a reasonably effective international postal system. But this means that the indirect effect of any change in our postal system, even though it be small, is sometimes quite extensive or almost completely incalculable.

The Post Office Department is our largest civil government department, and this has been so throughout most of our history. The minister seems to feel that there are some 50,000 employees in the department, but I think the figure is just under 44,000. In the light of other things I have seen in this house, I am not surprised at the possibility of there being another 6,000 employees in the Post Office Department which the minister knows nothing about.

Of necessity our postal service must be a government monopoly. I do not think anyone could see anything wrong in that since the logic of the facts demands that that be so. But there is one thing we must remember. We should be as cautious with a government monopoly as with any other kind of monopoly. We must examine its actions very carefully in this house because we can be quite sure that there is no combines investigation legislation to look into the actions of the Post Office Department. I hope to show later on in my remarks this afternoon what can happen when you have two government monopolies working together, one in the field of transporting the mail and the other in the field of charging for the handling of the mail. It makes a very interesting and sorrowful picture from the viewpoint of the taxpayers of Canada.

The history of this department is a proud and interesting one. As you go back you find that the first carriage of letters in Canada occurred shortly after the British capture of Quebec. Interestingly enough, we find that at that time a letter posted in Montreal on Monday evening arrived in Quebec on Wednesday morning. From various indications I have seen, we have not made a great deal of progress since, at least on that particular route. However, at that time there was another service which was definitely inferior to anything we have today because it took almost thirty days to get a letter from Quebec to Halifax. I congratulate the Postmaster General on having improved that service.

Even as early as 1800 the subject of post office surpluses was a subject for debate, primarily on the question of whether they arose from one class of mail or another, and since I will be dealing with these surpluses in detail in my remarks it is interesting to note that the history of this contentious subject goes back as far as that.

There is another little item of history of direct interest to us today and that is the fact that the early post offices before confederation were operated under the direction of the Postmaster General in London, and he instructed his deputies in Canada to operate only those routes which were economically profitable. The result was that the various provinces, in order to give what they considered adequate service, were driven to making grants-in-aid so that certain other routes could be operated. It is interesting to note that an authority on the subject, Mr. A. D. Smith, in his book "The Development of Rates of Postage", states, on this question of grants-in-aid:

> This development is noteworthy. It has always been found in Canada that for a large part of the country the circumstances are such a postal service adequate to the necessities of the inhabitants cannot be self-supporting, but the legislature has never hesitated to make grants from general taxation in order to provide means of communication.

If the minister has read this book I want to forestall him. I admit immediately it was published just before 1920, but the history of the department, as I shall show in a moment, bears out the statement made by this authority.

The question of the amount of the increase in rates is interesting. Instead of examining it from the viewpoint of the present rate to the proposed rate, let us look at it between 1942 and the date of the proposed rate. In 1942 our local rate was 2 cents for the first ounce. It is now proposed to make it 4 cents—an increase in the past twelve years of 100 per cent on local mail. In 1942 the long distance rate was 3 cents. It is proposed to make it 5 cents, an increase of 66⅔ per cent.

It seems to me, Mr. Chairman, that this increase far outstrips the increase over that period in the cost of living, and the increase we have seen in almost any other field of endeavour, or the increases which business has seen fit to put into practice. These increases are tremendous.

Even as late as 1951 we had a 100 per cent increase in our third-class mail—the second-class mail situation is hardly susceptible to debate here in so far as rate increases are concerned because of its complexity.

Now, let us turn for a moment and look at the fascinating financial history of the Post Office Department. We find that from 1869 to 1901 the department had a clear record —a deficit every year. From 1902 to 1932 it had twenty-two surpluses totalling $30,970,000, and nine deficits totalling $21,480,000. In other words, in this intermediate period in the second thirty years of its operation it was coming somewhere near breaking even.

From 1934 to 1953, the last twenty years, the department has had eighteen surpluses, totalling $94,658,000 and it has had two tiny deficits totalling $1,495,000. I will have occasion to refer to this later on, but I cannot emphasize this point too much, that the post office has turned from a department which was on a break-even basis—it was offering services to the public of Canada on an even keel—to a department which year after year after year has piled up surpluses and it has amassed money which it is putting into the treasury of Canada.

I also want to put on the record, Mr. Chairman, the figures for the past five years. In 1953 there was a surplus of $6,470,000—I am giving round figures—in 1952 the surplus was $6,649,000; in 1951 somebody made a mistake and there was a deficit of $1,327,000; and in 1950 there was a surplus of $1,889,000; and in 1949 a surplus of $2,976,000.

Let us examine the effect of an increase which happened in the past in the Post Office Department so that we can evaluate the possible effect of this proposed increase.

In 1943 the rate for both local and out-of-town first-class mail was raised to the present rate although other rates remained the same as is proposed under the new procedure. The gross revenue of the department, which had been going up slowly but steadily, and which had increased $3,698,000 the previous year, jumped $13,829,000 the first year of this increase, and the surplus, which had been $4,127,000 the previous year, was $12,586,000 the next year.

If you want to see it even more clearly, the surplus for the five years preceding the rate increase averaged $2,028,000, and for the five years following the rate increase the surplus averaged $10,707,000. There was five times as great a surplus arising out of this tiny one-cent increase in the letter rate.

Now, to get to just one or two other figures on which I will subsequently draw, we have the fascinating case of the carriage of air mail by Trans-Canada Air Lines, the government's private airways. Every month the post office pays the Trans-Canada Air Lines $487,000 for air mail carriage in Canada and the United States. I am dealing only with domestic air mail and not overseas. Just to get the figures on the record, let us see what happens to T.C.A. as a result of these payments. In 1952 T.C.A. received a total revenue of $44,012,000 of which $5,844,000 was for air mail. Their profit was $1,625,000. In other words, if the revenue from the air mail was deducted—I will develop this subsequently to show just how much larger this revenue to T.C.A. is than it should be—T.C.A.'s revenue would consistently show an operating loss, because in the past five years—I do not want to take time to put the figures on the record —the revenue from the carriage of air mail has been from three to five times the amount of profit T.C.A. has made.

For those of us who want to do a job of evaluating the post office system it is difficult to study it adequately because it is not completely operated and accounted for in the way that would be adopted with regard to an ordinary business. For example, certain costs of the department are not charged to them. The most outstanding example is the cost of its buildings. It gets them free from the Department of Public Works. On the other hand, the department is burdened with the perfectly legitimate costs of other departments, to the tune of over $4 million a year through the use of franking. In the third place, when you come to discuss individual types of mail carriage, you find that you cannot differentiate very successfully between first and third-class, air mail, local and long-distance, since stamps of the same denomination or a combination thereof might be used for any type of carriage.

Another factor is that 32 per cent of our long-distance mail is now carried by air, of which 7 per cent is paid for at air-mail rates and 25 per cent is paid for at regular rates but is carried by air. Then, to increase these complications, we have the business of the excise tax, a tax which apparently comes off before an election in one department and in one field and goes on following an election in

another field and in another way. In my short tenure in this house or in the study I have made of the matter, I have never before seen anything which was more closely related than is this business of taking a tax off before an election and putting it back on immediately following an election. I certainly was glad to see the tax come off. I agree that the excise tax should be off cheques. But when, previously, has a minister of the government had the audacity to stand up in the house and say, regarding a measure of the government introduced immediately preceding an election and which had cost the government revenue, that that revenue was going to be recaptured by introducing another tax at the first session of the house following the election? I do not think that has ever been done before in our history. I do not think anybody has ever had the audacity to do it.

Despite the complications, we certainly know that the rate structure of the post office is designed to charge more for one type of letter than for another. The book to which I referred earlier says this:

> The penny rate for the ordinary letter, though so moderate, is considerably in excess of the average cost even of long-distance letters. Its maintenance, therefore, depends not on economic, but on general political and financial considerations. The question is, what general considerations shall be allowed to govern the rate? Shall it be fixed on the simple basis of cost and revenue or shall it be fixed at such a level as to yield a surplus revenue?

We can see this in the case of newspaper rates, or the second-class rates, because in those cases the post office has a deficit. I quote here from the evidence of the deputy postmaster general given before a committee of this house last year:

> The newspapers, even after an increase was put into effect in 1951 for handling them, still pay next to nothing for the service they get. This handling brings about a deficit of about $13½ million annually.

There is nothing wrong with the fact that there should be a deficit for the handling of newspapers through our post office. It is right that the government of Canada, at the expense of the taxpayers, should do everything possible to see that information is disseminated as widely as possible and is carried from one end of this country to the other. We must keep our people informed. We must distribute these newspapers and magazines because of their cultural interest. We must do it because we have, with public funds, brought into being a great radio and television system which we are subsidizing, and this system is certainly in competition with the newspapers and the magazines. There is every reason in the world why this $13½ million should be spent for what it is being spent for, but there is absolutely no reason why it should be charged to other users of the post office services. We should not load one class of mail with the costs of another class but we should rather bring out into the open and pay from general government revenues any special costs of this kind in the operation of a department.

Certainly the Post Office Department is trying to stay within its revenues. That fact can be seen very clearly. I refer again to the evidence of the deputy postmaster general when he appeared before that committee on rural routes last year and when he said:

> We have followed the policy of trying to stay within revenues. You can never do so exactly. Sometimes we get a profit and sometimes a loss, but by and large the policy is to try and have services paid for by users rather than impose it as a tax through income tax or other devices.

A policy of trying to stay within revenues! Mr. Chairman, if a policy of trying to stay within revenues is one that results, over a twenty-year period, in a total surplus of some $90 million, either the policy is wrong or the interpretation of it is wrong. I do not know which it is, but I certainly know that when you make $90 million over a period of twenty years, and when you make $6 million and sometimes $12 million a year through the operation of your department, you are going far beyond the principle which has been set out by the minister this afternoon and by others of his associates in information such as this which we have set out before us. I admit that the deputy minister is quite right when he says he can never stay within revenues exactly, but I think $90 million is much too far away from being exact.

As to air mail, this resolution proposes to eliminate all air mail postage special rates and to carry all forward letters by air where delivery can be speeded. This is a commendable idea but it is not as significant as it may seem. In the first place a great deal of the mail can be handled more expeditiously by train or by surface transportation than by air. I need only mention all the mail between Montreal and Toronto or within 300 miles of any central point, where it is loaded onto the train at night, is sorted while it is travelling and is delivered more quickly the next day.

We have already noted that almost one-third—32 per cent—of our mail is now going by air and that only 7 per cent of our air mail is actually prepaid as air mail. So do not let us think by any manner of means that this is a useful gesture or one which means a great deal. Let us not think that the Messiah has come down from on high and

is now taking off the seven cent tax on air mail, something which will benefit every one of the citizens of Canada. It may be presented in such a way but it certainly is not so. In fact, I think that in the light of the things I have set forth it is highly unlikely that any really sound improvement or advantage is going to come from the proposed reduction in the air mail rate. Let us examine the weaknesses of the agreement with Trans-Canada Air Lines. It costs the Post Office Department at the present time approximately $1.20 a ton mile to ship mail by T.C.A. T.C.A. will carry freight at approximately 30 cents a ton mile, so the Post Office Department is paying four times as much for exactly the same type of cargo as commercial business or the man who is shipping freight by air. What does this show us in the over-all operation of this air line? How does the Post Office Department become implicated in it? It becomes implicated in it because in 1952, 59 per cent of the freight and express paid only 36 per cent of the air line's revenue from freight express and mail. Everything else was loaded on the post office.

Not only is this inequitable, not only is it most unfair, not only is this one of the major reasons why the department is in the position it is today, but it is an example of what happens when two nice little government monopolies get together. The government-operated air line needs some revenue at this point so it can make a good showing and not have a loss. Therefore the minister concerned comes along and presumably makes a private deal, certainly not one in the eyes of the public, with the minister responsible for the Post Office Department. They probably spend fifteen or twenty minutes over the thing. They work out their mutual problems, and we end up with the taxpayers being loaded with this burden which is transferred down through the Post Office Department.

As far as I can see, there has been absolutely no public discussion of this agreement, and this is in such marked contrast to what has taken place south of the border that I think it should be brought out into the open. I do not think any of us on this side of the house like these little private government deals by which two departments work out something so that they can put the best face on things as far as the public is concerned and so that they can bail themselves out when they get into difficulty. Here is a book of 400 pages entitled "Air Mail Payment and the Government" which is concerned solely with the practice in the United States. I should like to quote a few words from page 102 as to their rate-making technique with respect to the charges which are made to the post office for the carrying of mail. The extract reads as follows:

> The examiner studied the record of the hearing with a view to making a "proposed report". Fortunately for the examiners the record was usually short in comparison with the records of long drawn out rate cases in other utilities. The longest record contained 1,975 pages, the shortest about twenty-five, and the average case only about 250.

I would love to know the length of the record by virtue of which the agreement between T.C.A. and the Post Office Department was made and how much examination was given to the facts of the case. I do not think that is the sort of thing that can be brought out publicly and laid before this house. I do not think anyone would dare because I do not see how it is possible for them to defend a case in which post office mail is carried at four times the rate for exactly similar commodities being airlifted for private firms or other organizations.

Mr. Hardie: Will the hon. member permit a question? He quoted a T.C.A. rate of 30 cents a ton mile. Is that the air cargo rate or is that the express rate?

Mr. Hamilton: That is the air freight rate. The other is an estimate made from the Post Office Department report and the T.C.A. report.

Mr. Hardie: I presume that air cargo is carried at that rate when space is available, but the rate paid by the Post Office Department is paid by it so that mail will be given immediate consideration on all aircraft. Is that not true?

Mr. Hamilton: As I understand it, air mail is carried on Trans-Canada Air Lines in two ways. If it is prepaid, in other words, at the seven-cent rate, it automatically goes by air. If it is not prepaid it is treated on the same basis as air cargo, and since only 7 per cent of air mail is prepaid whereas another 25 per cent is carried at normal postal rates I would assume that the situation with respect to air cargo and air mail is very similar. However, I have no doubt that the Postmaster General will be good enough to explain that to us as time goes on.

I should like to say just a word, because I did cover the matter previously in an earlier speech, on the question of deliveries of mail. What a miserable situation it is that great areas of our country, major portions of our cities, important business communities, important sections of important business communities, should be denied adequate mail delivery, and should be told that they have to get by with one delivery a day.

Streets where you have store after store after store and business after business after business adjacent to each other are, in many cases, denied twice daily delivery. They have to work out other methods. They have to supplement the work of the Post Office Department with the work of their own staffs in order to be able to get their mail on time and deal with it adequately.

This and many other things are a reflection of what seems to be a general decline in the standards of the post office service in the last number of years. I do not think that it is necessarily a decline due to the members of the staff at the lower level, because most of them have been in their positions for many years. But the decline is taking place and we must search for the cause somewhere. Since the only place where there seems to be some change is in the top people in the department, and particularly the minister, perhaps we should examine the minister. However, I would suggest that if the minister feels so inclined he might be brave enough to let us have access to the Woods-Gordon report to which he has referred. As I understand it, that was a study of certain aspects of the operation of the post office, and I believe it has never been tabled in the house.

Mr. Cote: It was a managerial report. We only have a few copies, but if my hon. friend will come to my office I will be glad to let him see it.

Mr. Hamilton: I think we might get a great deal of interesting information from it and I shall be delighted to see it. Thank you for the offer.

Summarizing what I have tried to set before the house today, may I say that, first, the government has used the post office to pile up huge surpluses in the past twenty years in direct contradiction of the policy of the Post Office Department in previous years; second, the government, for reasons best known to itself, has forced the post office to subsidize the operation of Trans-Canada Air Lines in order that Trans-Canada Air Lines might show a profit; third, the government, through excessive use of the franking privilege by its various departments, is burdening the post office with costs of other departments; fourth, that the users of first-class mail are being forced to pay more than the cost of their service in order to subsidize losses on other classes of mail which are quite legitimate, but which should be properly charged to the general revenue of the government; fifth, that this government is not giving adequate or sufficient postal service at the present time; and, sixth, that the government and the Postmaster General seem to have made no demonstrated case at the present time that the proposed increases are required.

For these reasons I am opposed most definitely to the legislation now before the House of Commons.

Mr. Knowles: Mr. Chairman, I rise at this moment only on a question of privilege. I wish to make it clear that I do not raise this point of privilege in any feeling of anger—perhaps it is more one of sorrow than of anger. But I do think the record should be kept straight.

The Deputy Chairman: Order. Before the hon. member states his point of privilege, is it not a fact that a question of privilege should be raised when the house is sitting and Mr. Speaker is in the chair?

An hon. Member: Quite right.

Mr. Knowles: I draw to your attention the fact that this point of privilege which I wish to raise has to do with an incorrect statement concerning this afternoon's vote; in other words it has to do with the very matter we are discussing right now. And, from the laughter on the other side of the house, I should think that most members know what I have in mind.

The afternoon issue of the Ottawa *Journal* states that it was the P.C.'s who forced the vote which we had a while ago on the question of increasing the postal rates. We are fully aware of the fact that the Conservatives are just as much opposed to this increase as we are, and have expressed strong views against it. But let the *Journal* keep the record straight. Surely they know that it was the C.C.F. which forced the vote against this measure.

Mr. Noseworthy: Mr. Chairman, I am sure every member in the house agrees with the minister that probably more revenue is needed by the Post Office Department by reason of the introduction of the forty-hour week and the increased remuneration for postal employees. We have no quarrel with him on that point.

Our quarrel is with the principle he laid down that the Post Office Department should be a paying concern, that everyone agrees with that principle, and with the ideas in that connection he expressed. We disagree with him in what he describes as the equitable way of bearing the cost of the Post Office Department. He says the most equitable way is for the users of a service to pay for that service. We know that in the session

of 1951, when the Postmaster General came before the house and pointed out that there was a deficit of something more than $20 million in the service rendered by his department to the newspapers and periodicals by way of second-class material, and at that time proposed to raise the postal rates, everyone in the house agreed that those who were using the service—that is, the newspapers and periodical publishers—should not be required, by way of increased postal rates, to make up on newspapers and periodicals the deficit then existing.

We recognized that there was a service to the community at large. The question is: should the users of first-class mail be saddled with that deficit? In 1950 and 1951 the reports given by the Post Office Department set out graphically a breakdown of the postal dollar received and spent. That information is omitted from the 1953 report, and I am going to ask the minister to give us similar information for that year. We see that in 1951, out of every postal dollar received, 53 cents came in from ordinary first-class letters. Only 35 cents of the postal dollar was spent in connection with servicing that first-class mail. Here was a surplus of 18 cents on every postal dollar, or roughly $36 million surplus in that year. The users of the first-class mail service paid into the Post Office Department approximately $36 million more than the first-class mail service cost the Post Office Department. In that same year there was a deficit from the service given in respect of newspapers and periodicals amounting to about $28 million.

I do not know what change has taken place. We raised the rates slightly for newspapers and periodicals; but in recognition of the fact that it was in the best interests of our society that we should subsidize that particular service, the government modified its original bill and raised the rates less than it had intended originally. This was by way of a concession to the principle that we were justified in subsidizing that particular post office service.

Is there anything equitable in asking the users of first-class mail to bear the brunt of that subsidy? In that same year of 1951 we see that two and one-half cents out of every postal dollar was spent on franking, making a total of something over $4 million. There, again, are we justified in asking those who are using the ordinary mail service and who are sending first-class mail to bear the cost of the franking privileges exercised by the government? Are we justified in asking those people to pay an extra $4 million for the government franking service and about $20 million by way of a subsidy to the newspapers and periodicals?

[Mr. Noseworthy.]

If we are to accept the principle that those who use the postal service should pay for it, then we would certainly have to increase drastically the rates paid by, for instance, *Life* magazine, to mention only one. But that principle has never been recognized. As I have said, I feel there is no call at this time to add another $14 million to the amount to be paid by the users of the first-class mail privileges in order to pay the subsidy which the Post Office Department is paying to the newspapers and periodicals, by the franking privilege and in other ways.

Will the minister tell us what the revenue from ordinary letter mail was in 1953; what the expenditure on ordinary mail was; what the revenue from newspapers and periodicals was and what the cost to the post office of that service was, so that we may get that picture straight for 1953 as it was given for 1950 and 1951?

Mr. Thatcher: Very briefly I should like to join with hon. members who have this afternoon protested against the increase in postage rates. In my opinion the Postmaster General did an excellent job of presenting the arguments for a very weak case.

What does this legislation ask for? Specifically, it asks parliament to increase the general postage rates by one cent. Actually the legislation is much more significant than it appears to be on the surface. Apparently for the first time since the last election, the government is going to embark on a new program of heavier taxation. Today the government is asking parliament to approve legislation, which in effect will force the hard-pressed Canadian taxpayer to dig down in his pockets for another $14 million.

What is the reason that the minister gives us for bringing in this legislation? He argues that the post office must be kept self-sustaining. He says that if it is to be self-sustaining, he must have another $14 million. Personally, I cannot accept that point of view without qualification.

Of course everybody would like to see the post office balance its books; but it seems to me that the main function of the post office is to provide essential public service, and not be a revenue producer. I believe that when this tax bill or any other tax bill comes before parliament we as members should look to the over-all financial picture, and not just to the revenue and expenditure position of one specific department. If today we look at the over-all picture, what do we find? Does this government need an extra $14 million in revenue? The answer is a very emphatic "no".

I remind the committee that for the past seven years the government has had very heavy and very substantial surpluses. These surpluses have reached the approximate total of $2·5 billion. I also remind the committee that these surpluses have been achieved, despite the fact that at the end of each fiscal year the minister has been able to bury a few hundred million dollars in such funds as the "civil service superannuation fund", "the reserve for possible loss on the ultimate realization of active assets" and others. There is every indication that these annual surpluses are continuing.

If any hon. member will look over the accounts it will be obvious to him that we shall have another large surplus this year. According to the reports from the Department of Finance, in the first seven months of this fiscal year, Canada had a surplus of $266 million. In other words, up to the end of October the minister took $266 million more from the taxpayers than he needed. Yet despite that fantastic surplus the government today has the audacity to come to parliament and say: "We need another $14 million". I say that this postage increase is unwarranted; it is unnecessary and in my opinion would be harmful to the best interests of the country. It should be rejected by this parliament. If the minister needs more revenue for the post office, let him take it from the huge surplus which the over-all revenue accounts are bound to have at the end of the fiscal year.

Mr. Pouliot: Before this resolution carries I have a few remarks to make. At first sight it must be unpopular on account of the fact that taxes are always unpopular. It is very easy to deliver a speech saying that there is great taxation and that there should be less. But last year there was less taxation in the Post Office Department, because stamps were removed from cheques, drafts, notes, and so forth. It is true that it was a measure that was initiated by the Department of National Revenue, and that we were supposed to affix national excise stamps to negotiable instruments; but most people used postage stamps for that purpose. If the abolition of that tax did not affect the post office apparently, it did materially; and since the tax that represented the postage stamps on negotiable instruments no longer exists it means that last year there was a reduction of taxation in the Post Office Department. That is the first point.

The second point is this. How many people will be affected by this measure? A very small number. It is true that the new tax will have to be paid by those who write letters; but how many people have an extensive correspondence? How many people write more than one or a few letters daily? In each constituency there is a large number of people who think a lot before writing a letter. They put their hand ceremoniously on the pen handle and they dip it in the inkstand and write the letter, and they also affix the stamp ceremoniously on the letter. They do not write many letters. I know that sometimes I have to wait a long time to receive an answer to my letters, although they are sent by Her Majesty's mail from the House of Commons. It happens so often that frequently I have to supply a stamped envelope to get an early answer. It is not because people are neglectful; it is because they have not the time to write. How often do we apologize, sir, in answering a letter, for the delay. Sometimes we meet friends and then we are quite embarrassed. We say to them: "You sent me quite a nice letter. I apologize for being so long in answering you, and I hope you will pardon me." Everybody knows that that is so. It happens to everybody. To be honest, sir, how many of your constituents and mine have an extensive correspondence, a correspondence that can be compared with that of any hon. member in the House of Commons? There are very few. Therefore the tax will not be a heavy imposition on a large number of Canadians. That is the second point.

The third point is that those who have heavy mail will have the opportunity to charge the cost of the stamps against their income tax returns. Any company or individual spending $1,000, $2,000, $5,000 or more for the purchase of postage stamps can deduct that amount, along with other office expenses, from income for income tax purposes. This expenditure will not affect revenue or profit; it will not be deducted from revenue but from income for income tax purposes.

My fourth point is that no serious complaint has been made of the administration of the Post Office Department. I am satisfied that the letters that I send reach their destination and that the letters sent to me come to me. It is easy to complain that the service is not satisfactory because it takes so long for a letter to go from one point or another. The fault may lie with the people writing the letters waiting until after the mail carrier has gone before mailing their letters.

In the larger communities the number of deliveries per day has been reduced from two to one. That may create some inconvenience, but the mail is delivered as early as possible. Large corporations, companies

and many individuals engaged in business have post office boxes from which they can get their mail any hour of the day as it comes off the trains. This is most convenient.

Because of the requests of the unions the work week is not as long as it was before. As a result the department requires more men. I have written many times to the Postmaster General asking him to adjust the payments made to the mail carriers, and I suppose all hon. members have done the same thing. All this costs money. I regret that I did not receive a favourable answer early enough and as a result have had to write quite often and thus my file dealing with the adjustment of mail contracts has grown fatter and fatter.

These people need to be well paid. When the minister was faced with a decrease of revenue in his department he sponsored legislation to adjust mail carrier contracts. That move was supported by all parties in the house. There was no objection to it, but now we have to pay for it. We cannot eat our cake and have it too.

I do not think anything serious has been said this afternoon against the proposal except the fiery speech of the hon. member from Montreal who tried to create the impression that it was the Progressive Conservative party rather than the C.C.F. which had initiated the vote this afternoon.

I listened to the remarks of the hon. and gracious member for Hamilton West. My knowledge of the English language is rather limited, but I think I understood her to indicate that she was not supporting the minister's resolution. Her remarks were quite technical in nature and I could not possibly memorize them and therefore I am not in a position to answer her.

To conclude, as it is about time to do so, I wonder if there is any other country where a letter carrying an ordinary stamp goes air mail. I was struck with the statement of the minister that he hopes in future to have all letters carried by air. As I say, I wonder if that is done by any other country. If not, then Canada is in advance of all countries in the postal union.

This is most important because of the great distances between our coasts, between Newfoundland, Nova Scotia and British Columbia. We should be able to keep in touch with each other in the easiest manner and shortest time. This has been done and I congratulate the minister upon his accomplishments. I believe that in spite of what has been said, much of which I have not understood, everybody is satisfied.

At six o'clock the committee took recess.

[Mr. Pouliot.]

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Knowles: Mr. Chairman, I believe that those of us on this side of the house would like to express to the Postmaster General our sympathy for him in having to present this resolution to the house, and having the task of piloting it through. After all, it did so happen that the announcement that there would be this increase in the postage rates was made by the Minister of Finance on December 8, 1953, when the Postmaster General was not even here. He was down in New York at the United Nations representing Canada. Then, two days later, on December 10, another colleague of his, the Minister of Citizenship and Immigration, moved the resolution at its first stage, that stage when the approval of the Governor General was announced, and that put the resolution on the order paper to be dealt with later. Now, when it is dealt with, it is the Postmaster General who has the unpopular task of trying to sell the house this proposal for an increase in the postage rates.

During the attempt the Postmaster General made this afternoon to defend this increase he referred a number of times to the fact that there had been a loss in post office revenue because of the removal of the tax on cheques, which was effected in the budget of last year. When the Postmaster General was pressed as to what that loss was he said, subject to correction, that it was around $7 million or perhaps $7½ million. Later I understood him to suggest that the figure might be $10 million altogether and I take it when he was quoting that figure he had in mind the loss in the purchase of postage stamps for use on cheques as about $7½ million and the rest of that loss as due to the discontinuance of the little blue excise stamps, which I take it came from another department.

Mr. Cote: Perhaps I may complete my views on that subject. We had a surplus last year of $6½ million and this year we are going to have a deficit of $1 million. This deficit will result through the loss of $7½ million by the cancellation of the excise tax. The balance of the amount of $10 million mentioned, I have to conclude, is made up of blue stamps, but as far as we are concerned the postal service loss is $7½ million.

Mr. Knowles: The minister and I have said exactly the same thing. In so far as the Postmaster General's department is concerned the loss in revenue from the cancellation of that tax was of the order of $7

million, and the additional loss arises from the fact that the blue excise stamps are no longer being purchased.

But may I draw to the attention of the Postmaster General and to other members of the house the fact that there has not yet been a full year's experience without the stamps on cheques. As a matter of fact, when the Minister of Finance presented his budget last year, on February 19, he gave an estimate as to what would be the loss in revenue for a full twelve-month period from the cancellation of that tax on cheques. That estimate of the Minister of Finance can be found at page 2134 of *Hansard*, dated February 19, 1953, and the figure given by the minister was $12 million. I realize there is a difference between $12 and $14, but these figures are awfully close together. Here we have the Minister of Finance telling us last February, just before an election, that he was prepared to cancel the stamp tax on cheques at a loss of $12 million. As soon as the election is over the same Minister of Finance announces he will recoup that loss by asking the Postmaster General to collect an additional $14 million a year by an increase in the postal rates.

I suggest, Mr. Chairman, that we on this side of the house who are drawing attention to this fact are pointing to something that is very real, namely, the way in which this government juggles with figures and juggles with these taxes, particularly at election time. Actually what we have here is the removal of a tax just before an election and putting it on again just after. To put it on under precisely the same name would be a little too raw even for this government, so the name is changed.

Some hon. Members: Oh, oh.

The Chairman: I wonder if the hon. member would direct his attention to the imposition of this tax and not to the removal of another.

Mr. Knowles: Mr. Chairman, I am merely following the remarks of the Postmaster General himself. He said several times and said it again just now that one of the reasons it was necessary to put on this extra tax and raise an extra $14 million was because of the loss sustained due to the fact that people no longer have to buy stamps to put on cheques. Even before you rose, sir, I had made my point, but perhaps I can make it again. What we have here in the imposition of this increase in the postage rates is simply the reimposition of a tax that was taken off just before the election.

Mr. Forgie: Is not that good bookkeeping to place the liability where it belongs?

Mr. Knowles: The hon. member wants to know if it is good bookkeeping. It is political bookkeeping; it is cyclical bookkeeping, related to the election.

Mr. Forgie: Could the hon. member point to anything that is good on this side of the house?

The Chairman: Order.

Mr. Knowles: Some day I will take a week off and try to find something.

Mr. Forgie: The noisy geese that gabble o'er the pool.

Mr. Knowles: At any rate, Mr. Chairman, the uneasiness felt on that side of the house is a recognition by Liberal members that what we are charging is perfectly correct, that this is simply to make up for a loss that was sustained just before the election, and the purpose of that was pretty clear.

An hon. Member: For political purposes.

Mr. Knowles: Mr. Chairman, I think that those who in taking part in this debate, like the hon. member for Moose Jaw-Lake Centre, have underlined the fact that government finances have to be looked at in their entirety in order to place things in the proper light are perfectly correct. There is no use talking about a deficit that has to be recouped by a tax like this when the government is still piling up surpluses.

The Postmaster General makes the argument that the people who use the mails should be the ones who pay for it. If he is going to use that argument I would draw particular attention to the use that is made of the postal service by newspapers and periodicals, for which they do not pay the full cost. I will not go further than that. One of my colleagues will have some interesting and very pertinent statistics to lay before the house on that point.

But at any rate the minister says that if the post office is financed in such a way that there is a deficit, that has to be made up out of general revenue, and that that would be a case of making the people who did not use the mails pay for those who did. May I suggest that there is a very close relationship between the incomes of people and the question of whether they use the mails. When you talk about people who do not write very many letters, they are the people whose incomes are low. They are not paying directly into the general funds of the country because they have not sufficient income to put them in the income tax bracket. If deficits are incurred by the post office which have to be met out of the general revenue, I suggest that the burden of those deficits will fall on those who are in the income tax

brackets, both individuals and corporations, and that that is a fairer way in which to deal with the financing of a service of this kind.

Earlier this afternoon the Postmaster General said that nobody had tried to meet that argument. I think I have met it. I think that this matter should be looked upon not as a commercial operation that has to stand on its own feet but rather as a service to the nation to be treated as one of many services, with the financing of it to be looked at in the light of the whole picture.

The Postmaster General tells us that the increased postage rate will result in this increased revenue of $14 million. In arriving at that estimate I wonder whether he has taken into account the fact that there will be some falling off in the use of the mails. As the cost of any product goes up, there is a tendency for less of that product to be purchased.

Another question I raise is this. The Postmaster General says that there will be $14 million increased revenue to the Post Office Department by virtue of these increases in postal rates. I do not know what percentage of the postal business is done by business firms as compared with that done by private individuals but I imagine that business mail constitutes the lion's share of the mail of this country. But even if only half of the mail is business mail, that means that $7 million out of this $14 million which is anticipated will be paid by business firms. Most business firms are already paying corporation income tax. Therefore you have to assume that there will be these further exemptions claimed, perhaps for that additional $7 million, and if the rate of taxation is 30 per cent, 40 per cent or 50 per cent, you are going to lose another $2 million, $3 million or $3½ million in income tax by virtue of this extra charge that is made by the imposition of this increased rate. Hence the gain to the Post Office Department will be a loss to the Department of National Revenue in the collection of income tax and we shall have some more juggling which may well result, of course, when another election comes around, in a reduction of the postage rate once again.

There is one other comment I wish to make with regard to this increase, and it arises out of the fact that the hon. member for Notre Dame de Grace this afternoon referred to the fact that in 1942 the postage rate on first-class letters going from one city to another was only 3 cents. He pointed out that the rate was raised in that year from 3 cents to 4 cents, and now it is being raised again from 4 cents to 5 cents. There is in that procedure a bit of a trick which hon. members should recognize. When the rate was raised from 3 cents to 4 cents in 1942 in the case of letters going from one area to another or from 2 cents to 3 cents in the case of letters within the same area, that raise was made not by the Postmaster General of that day and not by the Post Office Department. It was made by Mr. Ilsley. The then Minister of Finance put that extra cent on as a tax to raise money for purposes of the war. I well remember how Mr. Ilsley made it clear time and time again that the charge for mailing letters, in so far as post office revenue was concerned, had not been increased but that a war tax of one cent had been put on the 2 cent rate making it 3 cents, and on the 3 cent rate making it 4 cents.

The fact that that one cent was a tax obtained right down until 1951. It is only two and a half years ago, when the Post Office Act was being amended, that that increased amount—that tax—was built into the actual postage rate. Down until 1951 the official postage rate was still 2 cents and 3 cents, with one cent tax; but in 1951 the 2 cents was raised to 3 cents and the 3 cents was raised to 4 cents. Now, only two and a half years later, we are getting this further raise to 4 cents and 5 cents. I suggest, Mr. Chairman, that all of the statements that have been made about the percentage of increase involved in these higher wages are well put. In fact, I believe that the story is even worse than members have suggested thus far and that this is a resolution which this committee should turn down.

Mr. Small: Mr. Chairman, as I followed the reasons for the increase in the postal rates advanced by the Postmaster General, they are the five-day week or the forty-hour week at a cost of $5 million; the increase in wages that is involved in the amount of $7 million, and for the rural mail $1,500,000, amounting to approximately $13,500,000. He has endeavoured to assess the approximate cost of the service for the next year. As to the introduction of the five-day week or the forty-hour week, I do not think that matter is as serious a one as he is trying to portray it to this committee. The purpose behind the five-day week or the forty-hour week is to create more employment, to do away with overtime, and to do away with matters that cause excessive cost. By putting on more men you will improve the service and it will not be at too great a cost.

The matter of increased wages of $7 million involves, as has been stated by the Postmaster General, some 50,000 people. If you will scan the record, you will find it is not the first

time that the salaries of the postal service have had to be increased in the period of the last twenty years, and as to any increase that has been made in the past, the revenues have been sufficient to take care of it. Why should there now be such great alarm about an increase in wages? If the revenue in the past has taken care of the increase, why should it not take care of it in the future? That consideration applies likewise to the rural mail in the matter of wages.

In making his presentation to the committee the Postmaster General elaborated on the fact that an investigation was going on with regard to improvement of the services. That is something that remains to be seen. In his plea for an increase in rates he said that there would be very few who would not agree with him. I think it has been well established here that there is a great deal of disagreement with him. I think it is quite evident to everyone present that the inadequacy of the services has been established, particularly with regard to those who live in or who are representing what may be called suburban constituencies. I represent one that is one-third suburban.

The service is far from what is desired as to postal collection boxes, the lack of distribution services and post office substations where people call for their mail and have to line up to get it. Sometimes when they go there the post office is closed. These things have been well established this afternoon and tonight and they indicate that there has been some error in judgment in the introduction of increased postage rates at the present time. I would think it would be sound business practice before asking for an increase in rates to have a well established service that was giving satisfaction, but that is far from the case. In almost any constituency in this great dominion you will find that the same complaints exist.

Before introducing increased rates to pay for a service that we are not getting, I say that we should examine what has been said this afternoon and tonight. In the last ten years there was another increase in rates. It was an increase of practically 33 per cent and now the department comes back with a 25 per cent increase. There has been almost a hundred per cent increase in rates. If people were receiving satisfactory service, probably there would not be so much objection, but the government is adding insult to injury by asking the people to pay for something that they are not getting.

There are one or two observations I should like to make with respect to the report of the department. At the bottom of page V there is a reference to the employment of J. D. Woods and Gordon Limited, management consultants. I suppose they were called in to improve the efficiency of the department, but if cutting deliveries in half and trying to find other ways to get more work out of the staff of the postal department, instead of hiring more men, is any criterion of the new methods to be introduced, I think they had better re-examine the situation. Certainly people are not satisfied with the delivery service either in cities or in rural sections. Mind you, there are one or two improvements that might be made, and I do not say that they will not be able to do a good job; but if they are attempting to try to improve the service by curtailing employment, then they are on the wrong track.

Later I will present evidence of a postmaster general who did not look at the situation in that way. On page 1 of the report you will find that they set out a new method of creating decreases. There is reference to a credit balance of $6,471,000 as against $6,648,000 last year. Suppose there was a decrease of $177,891: that decrease is only apparent; for the fact remains that there was a surplus and not a deficit. It is a new method of establishing a decrease which I have not noticed in any other report.

In going over the whole report there is one thing that stands out, the post office savings bank, which is referred to on page 10 in these words:

> This is a service which the Post Office Department maintains without receiving any financial recompense.

A wonderful service is being provided for the citizens of this great dominion, but it likewise comes within the same category as second-class mail covering newspapers and magazines. The cost should not be charged against the postal department but should come out of the consolidated revenue fund. The gentlemen who have been retained to introduce improvements might look at these matters. They may be small and insignificant but when they are added together they will reduce the expenses of the Post Office Department.

I cannot see why civil defence training should be a burden of the department. Apparently the idea is to establish a nucleus or committee, or whatever you like to call it, within the department, and I do not think that should be charged against it. The cost of any matter involving defence or civil defence should be transferred to the Department of National Defence. All these things are piled

up against the Post Office Department and they should be removed and put in their proper perspective.

There is one matter that is rather amusing. The report contains illustrations of the postage stamps that are in vogue at the present time with explanations about the premiers and so on. The report states that on July 26, 1952, a seven-cent postage stamp was issued depicting the Canada goose in flight. I suppose it is symbolic. The Canada goose represents Canada and the citizens of Canada. I suppose it signifies to the people of Canada that this is the goose that lays the golden egg and they should take care not to kill it.

Mr. Knowles: The people of Canada are the goose that was cooked.

Mr. Small: I suppose the government thought that people were showing confidence in the administration and that they had told them they were the ones who could administer this great country more efficiently than anyone else. But the government deluded the people and thought they could go to untold limits, and this is another way of trying to make the people like the medicine that they administered to them.

Let me go into the figures that have been represented by the department. I think they will reveal to hon. members that the Postmaster General has not established a very clear case. I have taken the figures for the years 1934 to 1953 contained in his own report plus the deficit of $1 million which the minister predicts by the end of this year. The aggregate figures show that the total revenue surplus for these years amounts to over $90 million, and taking the increases in revenue over the twenty years we see that there has been an average increase in revenue every year of $4,101,000. Those in business would consider that was very good. The average increase in expenditures each year is $4,065,000. There was a deficit in one year but otherwise surpluses ranged from $1 million to $16 million. The highest increase in expenditures in one year was $8 million odd. In the face of these figures the prospective deficit that the Postmaster General talks about for the future does not hold good. There has been an increase of an average of $4 million every year in the revenues of the department, and on their own figures there is no indication that that increase will not continue. I do not think the Postmaster General established a very good case. Probably he had the unwelcome task imposed upon him by his colleagues, of producing more revenue. I think he would be well advised if he were to recommend to his colleagues in the cabinet that they withdraw this bill until such time as they have established upon a solid basis that there will be a deficit or that the people of Canada are not prepared to provide the revenue to make this department pay its own way.

These figures have been taken from his own records. I shall go on now to discuss why the service is not being used as it should be and how, if it were improved, the use would increase. There has been a reduction of nine staff post offices, of forty-six general post offices; and I suppose if one were to scan the complement of labour required to produce an efficient service he would find that the Post Office Department is sadly lacking in the complement required to give that service.

Therefore before the government proposes to increase the rates I suggest that the Postmaster General should increase his staff and improve the services. If he did this he would probably receive the attentive ear of the people. They would be agreeable and acquiesce in his suggestion or to any reasonable proposition he might put forward.

I should like at this time to make a comparison between the attitude and the approach by the Postmaster General in this government and that of a former postmaster general who introduced the postal service, as we know it, for the people of Canada. I go back to the introduction of the Postal Act in 1898 by the then postmaster general, who became afterward Sir William Mulock, a man who was imaginative, who had initiative and was progressive. He made the office of postmaster general one recognized with pride throughout the world.

What took place in 1898? He was not asking for an increase in rates, when at that time he had to defend himself; no, he was asking for a reduction in rates, and had to defend that reduction in the chamber of the House of Commons. At that time he said:

> I presume that no hon. gentleman would object to the reduction of the rate from 3 cents to 2 cents. Public opinion favours the cheapest and freest possible communication by mail throughout all parts of the country.

And then, on being further questioned as to the revenue, and what it was going to produce, he said, as reported on the next page:

> Assuming that the volume of business does not increase or decrease, it would result in a present loss to the revenues of $650,000 a year. That is the worst phase of the question financially. I shall endeavour to establish by precedents that a reduction in the letter rate is always followed by an increase in volume of business.

Is that not a different picture from what is presented to us today? At this time the

government is raising the rates; it is charging us more for the service we are to get, and its cry is that there is a deficit, decreased revenue.

Here, in those early days, we had a postmaster general who had a different approach. He then proceeded to give the statistics from Great Britain, The Netherlands, France, the United States and Canada, and showed how from time to time they had reduced the rates. Then in an interval of three or four years the loss of revenue was overcome and surpluses were presented.

The then postmaster general went on to say:

Prior to the year 1851, the domestic letter rate in Canada was 18 cents per half ounce. In the year 1851, the rate was reduced 66⅔ per cent from 18 cents per letter to 6 cents per letter. I take the last clear year under the old rate, and the first clear year under the new rate. In 1850, when the rate was 18 cents, the revenue amounted to $362,065.

He then proceeded to show how, by reducing the rate, the revenue had increased, and while they had been worried about a deficit he gave absolute evidence that with the lower rate they would make the postal service the best in the world.

Then the postmaster general went on to say:

I quite recognize that there are many causes which contribute to the increase of postal revenue. Where you have a great country with a growing population, no doubt there are many elements that affect the revenues advantageously.

I do not suppose our Postmaster General today has assessed this situation properly. If he were to follow the practice set down by that earlier postmaster general, then he could find revenue where nobody else could.

Making a favourable comparison of our postal services with the United States postal service the former postmaster general said, in 1898:

At all events, I venture to say that these statistics establish beyond all question that the reduction in the letter rate promotes an increase in the number of letters, in the volume of business, and in the revenue, and, at any rate, it is essential to the interests of the country, that there should be the cheapest possible mail communication, and for that reason should commend itself to the good sense of the people and meet with their approval.

It may be that I am tiring hon. members in what I am saying, but I am trying to make a comparison between postmasters general. In 1854 the rate was reduced from 6 cents to 5 cents. It has taken us 100 years to undo what that previous postmaster general did when he reduced the rate to that amount. Now they have got it back to 5 cents, and I suppose we will have to submit to it.

Replying to a question as to whether there was to be a reduction in the drop letter rate he had certain things to say. It will be kept in mind that the postmaster general of that day was on the spot, just as the minister is in this chamber. At that time the reason for being on the spot was different. He was being questioned and held up to the opprobrium of the people of Canada because he was reducing the rate, not increasing it. And he made a very good defence of what he wanted to accomplish.

Being asked about drop letters, he said:

Drop letters are at present charged at 2 cents. That was a rate imposed some years ago by the last administration,—

And, get this, Mr. Postmaster General:

—and while my own bent of mind favours at all times the reduction of the cost for postal communications within reasonable limits, I am not prepared at this time to make any proposition in regard to the rates on drop letters.

Questioned by the then member for Three Rivers, Sir Adolphe Caron, who asked how he was going to make up the deficit, the then postmaster general replied:

By economy and by the improved revenues in the department.

I suggest that these quotations should commend themselves to hon. members on the government side of the house. They have not established a very clear case for raising the rate; and I think if they will take the opinion of the large phalanx of their followers they will find that they would be faced with a problem that has not found solution by the Postmaster General in adequate postal services.

I still think that if members on the government side would impress upon the cabinet the fact that this is not the time to increase the rates for the postal service, and if they were to ask for evidence that the government is prepared to effect economies to improve that service, the government might come back in a year or two and ask for an increase in rates, if a deficit persists. I doubt however that it will because, on the picture that has been presented here, one of expansion and increased immigration to this country, as well as increased revenue, one might expect the opposite result; one would expect to see a surplus revenue instead of a deficit.

Mr. Regier: Mr. Chairman, when I left for home last month I had given this matter of the increase in postal rates some thought. To me, at the time, it did not seem to be a vital matter. However, I was not home very long when my electors in no uncertain terms let me know the great measure of importance they attached to this move. They do not look upon it in the light that others look upon it; they take an altogether different view.

A little while ago an hon. member asked the question whether any good is ever found

on his side of the house. In answer to that question I should like to convey to the Postmaster General what I have been asked to convey to him by a good number of electors back home. There is amazement over the fact that for many, many years tens of thousands of people have given us faithful and efficient service, rain or shine. I do not think there is any other public service in the world that gives such faithful devotion to their responsibilities as do our postal employees. To me that is as good an answer as any to the lie we find being propagated within our nation that the profit motive is essential for one man successfully to serve his fellow men.

As a student in high school days I remember the then leader of the opposition, the late William Lyon Mackenzie King, speaking in our local community in the province of Saskatchewan. He was severely critical of the Conservative administration. Out of his pocket he took an envelope, held it up and showed it to the large audience. He waved it around. He said: "When I was head of the government and the Liberals were in power, on this letter we had a two-cent rate. Today you pay three cents." At that time, even as a student in high school, I thought that he was being most unfair, because we were in the middle of the hungry thirties, and even a high school student could understand the need of a government resorting to all measures at their disposal to obtain the necessary revenue. However, as the Liberals have often done, they fooled the nation. They attacked the Tories in power for high taxes, and once elected they have imposed still higher taxes. The result is that we have not a return to the two-cent rate, but an increase in the rate from three cents to four cents.

I realize that the time has come when even the Liberals admit that they will have to wait a long long time before we ever have a Tory government in power again to raise the postal rate. Therefore I suppose they feel that they have to raise it themselves.

Mr. Knowles: They are more Tory than the Tories.

Mr. Regier: The minister asked for some advice on other possible sources of revenue. That takes me back again to my electors. My electors have a very strong feeling that the postal rate ought not to be raised as long as we are subsidizing advertising in the nation. There is a feeling that if we were to raise the rates on advertising material going through the mail to anywhere near a fair share of the cost we would be accomplishing a number of useful things. Firstly, we would be relieving the postal service of much of the heavy load; secondly, it would yield more revenue to the Post Office Department; and thirdly, it might persuade some of the commercial firms in Canada to spend a little less money on advertising. We have reached a rather unhealthy situation when we consider the amount of human energy that goes down the drain on largely useless advertising. Yesterday I received the annual report on small loan companies and money lenders. I noticed that a relatively small organization such as the Household Finance Corporation spent in the year 1952 over half a million dollars on advertising, 7½ per cent of their expenditures. The income tax division might be able to help out with some revenue by eliminating some of the advertising exemptions from income tax.

I represent what is often known as a suburban riding, and there are a few things on which my people back home would like to hear a declaration of policy. They would like to know when is a community entitled to its own identity as a postal area. I know there is at least one community, that has a population of 63,000, yet it has not its own postal identity. We have another community with a population of 13,000 which has not its own postal identity. And yet right beside it we have a community with a population of 3,000 which has a post office. In my riding we have another community with a population of 5,000 and it has its own post office. The people feel that a policy should be established, and it should not depend on the economic situation and attitudes of postmasters who have hitherto served the area. We feel there is a time when a community ought to be entitled to postal services of its own. I know the hon. member for Burnaby-Richmond has been working on this same difficulty for a number of years, and all I can say is that I hope he has the ear of the government, shall I say, and that something will come out of it.

Another thing that worried the people back home was a report in the newspapers at the time that under the free franking privileges one office had sent out 15,000 Christmas cards. I know the hon. member for Fort William commented on this earlier and said that it was not a popular subject. There may be a feeling abroad that not all economies that might be resorted to are being resorted to.

Then there is the matter of service. We do not think that it is necessary to have a central post office serving almost half a million people close its wickets on Saturday

afternoon. We feel that we can have a five-day, forty-hour week, and an arrangement can be made with the staff so that at least some wickets can be open on Saturday afternoon in one of the largest cities in the Dominion of Canada.

I know these are small things. There is another matter that has often worried me. Lately I have seen new buildings being erected in Canada and being leased by the Post Office Department. I can easily understand why a small community might find it advisable to lease or rent a place for postal service. However, I find it rather hard to understand why we should have to rent new buildings that apparently have been expressly built for the purpose of being leased to a department of the federal government. Surely, if it is worth someone's while to erect a building and lease it to the Post Office Department, it should be worth our while to erect our own buildings in such places. I am afraid that the electors back home insist that as long as we are subsidizing advertising to the extent that we are we should not be in accord with the proposed increase in postal rates.

Mr. Stuart (Charlotte): Mr. Chairman, I assure you that my remarks will be brief. After listening to the discussion today it seems to me that we have had the same old story. The procedure would appear to be proper but they are going about it in the wrong way. During the past year I listened to debates in this house with regard to increasing the remuneration of mail carriers and I noticed that those on my left together with members of the government supported the stand taken by the government. When the five-day week was being discussed it also had the support of the House of Commons. After listening to this debate today it would appear to me as though it was a case of some hon. members wanting to have their cake and eat it too. With that I cannot agree.

I feel that the Post Office Department should pay its way. My reason for saying that is that it is not the little fellow, whom we always seem to be worrying about, who pays the shot in the case of postage; it is the big fellow who pays it. The family that mails out two or three letters a week will find that the extra cent will amount to only about $1 or $1.50 at the end of the year. It is the big businessman who will be affected by this legislation and he is the man that should pay for it. He is the man I want to see pay for it.

Mr. Fulton: He is the man who will not pay for it because he deducts it from his income tax.

Mr. Stuart (Charlotte): I did not interrupt the hon. member for Kamloops.

Mr. Fulton: I did not make a speech.

Mr. Stuart (Charlotte): The suggestion has been thrown out that the citizens of this country have made no contribution toward the Post Office Department. I want to take a shot in the dark and make an estimate that billions of dollars, not just millions, are represented by public buildings which have been paid for by the citizens of this country and which are used by the Post Office Department rent free. If I am wrong, I should like to be corrected.

An hon. Member: You are right.

Mr. Stuart (Charlotte): Those buildings are provided by the Department of Public Works; they are heated by the Department of Public Works and are to be found from Vancouver to Newfoundland. If the cost of those structures and their maintenance were added to our postage, where would we be? That is the contribution made by the citizens of this country and it represents billions of dollars in public buildings so that the Post Office Department may carry on in the proper environment.

I support this legislation. It has been said here tonight by previous speakers that in the last ten years postal rates have advanced as much as 58 per cent. I would like those hon. members to tell me of a single thing in Canada that has not advanced 58 per cent in the last ten years. If we want the forty-hour week or the five-day week the only way it can be provided is to increase personnel, and that means more salaries and greater expenses.

Where is the money going to come from? Are the taxpayers generally going to have to dig down and pay it in the form of income or some other tax, or should it be provided for by postage rates? Again I say that it should be paid by the people who are using the service.

I have heard some criticism tonight about there being only one mail delivery in the cities. When I look at some of the rural areas in my constituency and see they have only three deliveries a week, and sometimes not that many, I wonder just how far the people in the cities are going to push us around. We who live in rural areas like to have our mail just as much as the people in the cities. Many of those people are within a block of the post office and they cannot

walk down to get their mail. Some poor fellow must strap it over his shoulder and carry it to them. One delivery a day is not sufficient, they want two.

We hear a lot said about what must be done for the little fellow in the back country, but I have not heard him mentioned today. That little fellow seems to be completely forgotten. If my C.C.F. friends are really serious in what they have said today, let them all get together and agree to do away with our franking privileges. Let us pay for our own postage. I am prepared to do that; I am prepared to do away with the franking privilege and pay my shot. I think that would be a good procedure for us to follow as members of parliament. Let us do away with the franking privilege and pay our own postage. Some hon. members may have more mail than I have. If I do not have as much I may save a few cents, but let us be honest and sincere. Let us dig down in our pockets and pay for this ourselves. When we have done that we will have shown the way.

Mr. Fulton: Make a motion to that effect and we will second it.

Mr. Stuart (Charlotte): It would appear that when a few facts are stated it gets under the skin of some hon. members. I am just stating facts.

Mr. Fulton: Let the hon. member make a motion and we will second it. Let him put up or shut up.

Mr. Stuart (Charlotte): When some of the protectionists in the house are speaking they argue that there should be protection in Canada against the United States with its enormous population. Here we have a reverse situation. This country is larger than the United States and a mail service must be provided. Is it not natural that it should cost more in a country of 15 million people than in one of 150 million and of a lesser size? All over this country they are asking for air mail; they do not want the horse and buggy system they had 50 years ago. Those are the people who should pay for it.

Let me give one example. In the little town where I live there is just one company of any size, but they mail out 5,000 letters per week. The operators of that company are personal friends of mine. This legislation will affect them financially but they have never come to me complaining about this legislation. Those are the people who should pay for this service because it is a service like this that helps to build up their business.

I am prepared to pay for it myself. I feel that if hon. members are sincere they should get together and say, "Let us do away with this franking privilege; let us dig down in our own pockets and pay for our postage, as the other citizens in the country do". I am reminded of a debate that took place here some time ago and which of course I cannot mention. It would appear to me that there are members in this house who want to have the de luxe services that they describe but who are not willing to pay for them.

If we want these services they should be paid for. I believe that the cost of this service should come from the people who use it. The person who does not use the mail should not have to reach down into his pocket in order to provide revenue to maintain the Post Office Department. If it were just before an election I might expect something like this.

I do not think I can speak for all the people in my county as to how they feel in this regard, but I can say sincerely that I have not had one request or letter from a single person in my county asking me to oppose this measure. I notice the hon. member who spoke just before me said that when he got home they were running in at both doors and coming in through the windows.

An hon. Member: And through the side doors.

Mr. Stuart (Charlotte): They were all asking him to oppose this legislation. But that does not apply where I live because I have not had one single bit of correspondence or one single request. I am quite prepared to pay my proportion of this increased cost. I am quite prepared to give up my franking privileges in order to show that I really believe what I am saying.

Mr. Fleming: Mr. Chairman, I suppose it is a mark of the weakness of this government proposal that it fell to one of the most popular of the ministers to take the responsibility for sponsoring it in the house. I am sure that no hon. member, whether he sits to your left or to your right, Mr. Chairman, envies the very popular Postmaster General the task which his colleagues have assigned to him today. Some of the pre-election chickens are coming home to roost.

An hon. Member: A lot of them came back.

An hon. Member: This one is a turkey.

Mr. Fleming: I intend to be very brief because the ground on this matter has been effectively and comprehensively covered today in some of the preceding speeches, and I am thinking particularly of my colleagues, the hon. member for Hamilton West and the hon. member for Notre Dame de Grace.

Let there be no doubt in anyone's mind, Mr. Chairman, that we fully support the advance in wage rates for the employees of the Post Office Department. As a matter of fact, we urged it long before it was made. It was a belated and not too adequate measure of justice to these employees.

But one can say all that and more on the subject and say the case that the government is putting before the house today is completely unproven. The government is trying to support this motion on the ground that a deficit is going to occur unless the rates are increased. Mr. Chairman, they have not proved their case and what business have they coming before this house and saying, "We anticipate a deficit", until that situation has arisen? They are altogether too eager. This is a habit born long ago and bred in the members who have grown up in this government, that they think they have a right to increase all rates whether it be for government services or for taxes. It is so easy for them to increase the rates that are imposed on the people. It is a bad habit; it is a vicious habit; and it is to be hoped that the house is not going to tolerate much more of it.

Mr. Dupuis: It is a preventive measure.

Mr. Fleming: Mr. Chairman, there is an interesting reflection of the kind of mentality that has obsessed this government for years. There are a great many ills that they anticipate by going ahead at every turn and without any pretext or justification increasing the rates upon the people of Canada. The hon. member for St. Mary, who has just interrupted, completely reflects the mentality of this government, a mentality that obsesses those who have sat on your right for altogether too long.

Now the government has staked its case upon its powers of anticipation, looking in the crystal ball and seeing there a deficit that might accumulate, and rushing of course to anticipate such a situation and to take strong measures to make sure there will be no possibility whatever of the people of Canada riding along without an increase in rates if the government can find a pretext or excuse for raising the rates.

Mr. Pouliot: When we look across the house we do not see a crystal ball but a political football.

Mr. Fleming: Let me assure my good friend from Temiscouata that every time I look at him I see the best looking crystal ball in the house.

Mr. Pouliot: But you are not a mind reader.

Mr. Adamson: The government is the lady in waiting.

Mr. Fleming: Mr. Chairman, the Postmaster General exhibited not a little ingenuity today. It was the same type of ingenuity that was exhibited by the Minister of Finance when he made the preliminary announcement of this increase in rates about a month ago. He said that the postal department must be made to pay for the services. There must be no deficit. The suggestion was that there is something very scientific about the way the postal rates are struck, that the government tries to make sure that the service must pay for itself. It is a scientific approach: that is the impression they seek to create.

Well, Mr. Chairman, just how scientific is it? One has only to look back on these figures which were put on the record this afternoon by the hon. member for Notre Dame de Grace to see how far the results of this method have proven that there is no science whatever in the approach to it. It has been a very rough and ready method that has been followed at all times in regard to the relationship between postal rates on the one hand and the cost of operating the postal department on the other. Otherwise how can one account for these huge surpluses that have accrued year after year?

What is more, Mr. Chairman, if the method were scientific it would apply to every class of postal material. If that were the case then every class of postal material would bear its own cost. But that is not the principle. You know perfectly well, Mr. Chairman, that there is one class of postal material that has been subsidized for decades.

Let us have no more nonsense about the scientific approach and trying to make the postal services, the cost on one hand and the revenues on the other, balance out. That picture just does not fit the facts, and it does not fit history if you look at the approach to this matter in times past. If you approached it in a scientific manner you would have to consider all the other real costs referred to today, rent and overhead, on the one hand, and on the other hand what revenue the department should receive on account of free postage to government departments. Well, I do not think we need to spend any more time on this nonsense of equating or balancing the cost of the postal service with the revenue.

But the timing of this measure, Mr. Chairman, should not escape comment. My heart was wrung, Mr. Chairman, when listening to the words that fell from the lips of the hon. member for Charlotte just now. My heart was wrung when he pictured how the taxpayer was going to be burdened with the

cost of carrying the deficits of the Post Office Department. As if the man who is using the postal services now is apparently some bloated plutocrat, and therefore a bloated plutocrat who should not receive the benefit of the service at less than the cost. That would be altogether wrong. He pictured the bloated plutocrat who puts a stamp on an envelope and who, according to the hon. member for Charlotte, should not have any consideration, and whom the taxpayers of course should not be called upon to subsidize.

Well, Mr. Chairman, it is an extraordinary thing, but I always thought that the taxpayer in this country was on the whole the man who was able to pay. It did not have anything to do as I understood it before with the ability to put a four-cent stamp on an envelope. I thought it had to do with the ability to pay income tax; the ability to pay excise tax; and the ability to pay customs duty, the kind that the hon. member for Charlotte in this house several years ago indicated he was not in the habit of paying when he brought back into his constituency goods that he acquired in the United States.

Mr. Adamson: Why does he not go across and post his letters in the United States?

Mr. Fleming: We were so appropriately reminded this afternoon by the Postmaster General with his usual pleasantness, his disarming pleasantness which we all greatly admire, that after all the treasury of this country had forgone the revenue of $7½ million last spring just before the election and that now apparently that loss of revenue must be made up.

Well, Mr. Chairman, that is why I venture to comment that the chickens are coming home to roost; those election chickens, because we warned the members of this house at the time and we told people outside the house that if there was any appearance of reduction on the part of this government in the imposition of taxes upon the Canadian people it would be a very chimerical form of reduction—here today and gone tomorrow. So, Mr. Chairman, we are beginning to see the unfolding of the government's plan: taking off the stamps on cheques and making great fellows of themselves before the election. They were a tax-reducing government last summer but come the fall, Mr. Chairman, and with the winter setting in they are a rate-raising government. These points have been covered. I am sure I do not need to spend any more time on them.

In closing I wish to say just a word on the subject of service. I do this with not a little feeling because I recall that not many years ago the service given by the Canadian Post Office Department was as good as was to be found anywhere in any government service. It was a matter of boasting and pride on the part of the Canadian people. But that time has gone. The Canadian people take no pride in the kind of service they have been receiving under the management of this government. The men who are doing the delivering are doing an excellent job; in rain and shine, cold weather and hot, they are going the rounds. There have been times when they have been called upon by this government to bear shockingly unfair burdens. Two years ago some of us had to fight for these carriers, at the time the one-delivery-a-day service was instituted, to complain about the shockingly heavy burdens which the carriers were obliged to bear under that system. These men have done and are doing their work well. The fault lies with the management of this department.

The reduction of service to one delivery a day was a mistake. I am sure every member of the committee who is prepared to recall the facts of this situation will not be slow to remember that many people receive their mail today long after the close of the banks, in the late business hours of the day. The service in recent years has deteriorated to a shocking degree. Let us hope, Mr. Chairman, that no time will be lost in improving this service substantially. If there is any Liberal member in this committee who is prepared to stand up in his place in this chamber and say that the postal delivery service in his riding is satisfactory, I think we would be interested to hear him.

Mr. Chairman, I should like to give you some recent examples which have come into my experience. This afternoon the Postmaster General invited hon. members who have complaints to lay them before him. I think he will agree that any time I have had complaints I have taken them to him immediately by correspondence. Sometimes he has been able to find the reason for the delay and sometimes he has not been able to do so. However, so far as he is concerned, I am satisfied that he has at all times done his best to track down the reason for these delays. But these particular pieces of mailing material to which I am about to refer are some that have come to me recently, indeed since the house adjourned in December, and they are the sort of thing that I would have sent to the minister had this debate not provided an opportunity for bringing them directly to his attention.

I have here, first of all, a cover consisting of a House of Commons envelope that bears the postal mark of the House of Commons

post office and the date of December 15, 1953. I received that communication on December 29, fourteen days later. As you will see, Mr. Chairman, it was posted in ample time to have been delivered long before the great rush of Christmas matter. I will say that this one is addressed to Mr. D. M. Fleming, M.P., Toronto. In case that be thought to be an inadequate address, may I say that I think we might improve our rules around here for addressing material that is going to members who live in a large metropolitan area. The fact of the matter is that the address which this envelope bears is the address given in the official government directories and it is the address used in the parcelling room downstairs for any mail that goes to the member in question. Hence there cannot be anything very wrong about the address. That one took from December 15 to December 29, fourteen days, to be delivered.

The next one is in a House of Commons envelope with a four-cent stamp on it. It was sealed. It was postmarked from the city of Quebec on December 21. It was addressed to Mr. Donald Fleming, M.P., Toronto. It was delivered on January 11, 1954, twenty-one days after it was posted. It took three weeks for that communication, with a four-cent stamp on it, in a sealed envelope, to be carried from Quebec city to Toronto and to be delivered there.

The third one I have in my hand also comes through the parliamentary post office. The second one did not. This one is touching because it contained a Christmas card that was sent to me by one of the Liberal members from a Toronto riding. It was postmarked by the House of Commons post office on December 21.

Mr. Drew: Was it franked?

Mr. Fleming: It was franked. The postmark is dated December 21. It was delivered to me on January 6. It took sixteen days to come from Ottawa to Toronto and be delivered there.

As to the last one, Mr. Chairman, there cannot be any question about the address on it. This next piece of postal material to which I should like to refer is a card. It is one of the regulation cards sold by the department, on which a two-cent stamp is adequate provided the material on the card is printed; and this is printed. This card was postmarked Toronto, December 30, 1953. It has a two-cent stamp on it. It is the ordinary postal card sold by the post office. It is addressed to Mr. and Mrs. D. M. Fleming, 259 Glencairn avenue, City, 12. It has a Toronto postmark, December 30, 1953. That card was delivered January 5. It did not go outside of the city of Toronto. It took a whole week to get to 259 Glencairn avenue. As you will see, Mr. Chairman, this was long after the Christmas rush of mail had all passed. May I now turn to the other side of the card. It reads as follows:

> The Eglinton Riding Women's Progressive Conservative Association will hold their regular meeting and New Year's party Tuesday, January 5, 1954, at 8 p.m.

Mr. Cote: I am really sorry.

Mr. Fleming: Being an innocent sort of politician, Mr. Chairman, I do not suppose there is anything more than coincidence about this matter; but I do say that it is a curious coincidence that, having been placed in the post office and having received the postal mark in the Toronto post office on December 30, it arrived at my house on the day of the meeting. But that is not the whole story. A number of people telephoned me the next day to tell me that their cards arrived on January 6, the day after the meeting.

Mr. Cote: May I ask my hon. friend to give me those postal items so that I may inquire as to the reasons for the delays.

Mr. Rowe: The meeting is now over.

Mr. Cote: Of course I would not be able to revert and allow my hon. friend to attend the meeting, but I will do my best to find out the reasons for the delays.

Mr. Nicholson: I want to say, Mr. Chairman, that during the years I have been in parliament I have not experienced the sort of thing outlined by the hon. member for Eglinton. There was an incident in my constituency at the time of an election. The postmaster delayed distributing a parcel of election literature until after the election. When this matter was reported to the post office authorities, they investigated, took action, and there was a new postmaster there, although the postmaster who had offended had been a prominent supporter of the Liberal party. I think on the whole the Canadian people have reason to be proud of the outstanding service performed by the Post Office Department for many years. I have had very happy associations with the postal personnel in my constituency and the post office officials in Ottawa. Nevertheless I think this is a very unfortunate piece of legislation to bring before parliament. I have two opinions to express for what they are worth and I present them in the hope that the Post Office Department will be relieved of the blame that unfortunately will be attached to it for this very unpopular increase in postage rates.

While I was in Ottawa from 1940 to 1949 I made some study of the very large number

of post offices in Canada where there was very little revenue. In the 1952 report of the Postmaster General I notice that there are 160 post offices in my own province of Saskatchewan where total sales of postage stamps for the previous year were less than $100—$11.50, $13, $12.64, $16.06, $9.20, and so on. I think it would be difficult to argue that, where postage sales are less than $1 a month, there is very good reason in this day and age for continuing considerable public expenditures in maintaining offices in these communities. I realize that patronage enters into the picture, that supporters of the government are given post offices, and that it probably is not easy to change the practice. But before asking all the taxpayers of Canada to accept such a heavy burden as is involved in a 25 per cent increase on the four-cent rate and a 33⅓ per cent increase on the three-cent rate we should have a look at the very large number of post offices in Canada that might have been justified fifty years ago but certainly are not justified today when so many people have cars and when there are obviously so few people making use of these services.

The second point I want to mention is found in the report that the Postmaster General presented in 1952. There are two pies offered in this report. I am sorry that they do not appear in the 1953 report. One pie is receipts, the other disbursements. In the first case newspapers and periodicals pay for a five cent piece of pie. They give a five cent pie to the Post Office Department but when they want to eat their pie they want an 18¼ cent piece. I submit to hon. members that it might have been argued fifty years ago that newspapers should be subsidized by the Post Office Department, but in this day and age when daily newspapers have fallen into the hands of a few very wealthy corporations that control not only chains of newspapers but radio stations, I think there is no justification for asking the Post Office Department to take a five cent pie from newspapers and periodicals and dish out an 18¼ cent pie. On the basis of the year's revenue there is a loss of over $16 million in connection with this one item.

As the hon. member for Burnaby-Coquitlam mentioned, in view of the fact that so many of these papers and periodicals carry such a heavy volume of advertising I think we cannot justify subsidizing to this extent. I for one take strong objection to the very large amount of liquor advertising now appearing in so many Canadian periodicals. I object to having such periodicals come to my home at public expense inasmuch as the Post Office Department is subsidizing them to the tune of $16 million per year. I do not have these figures from the minister, but on the basis of the picture of the pie appearing in his report, taking the amount of receipt for that year as $122 million—I am sure he will correct me if I am wrong—it is my conclusion that the loss in connection with these two items for the year reviewed in his report is $16 million.

In the same pie we notice ordinary letters, and this affects the people who are taking the rap in this latest increase. The figure is 46 cents and it only costs 29 cents to buy their piece of pie. That is, there was a profit of 17 cents on every dollar of revenue from ordinary letters. This gave a profit of $20,700,000 on this particular operation of the Post Office Department. Therefore the people who are going to take the rap if this legislation passes, and the handling of whose letters shows a profit of $20 million, will have an increase of a further 25 per cent on the four-cent rate and 33⅓ per cent on the three-cent rate, which cannot be justified.

I have a good deal of sympathy for the Postmaster General. Very few members on his own side of the house have indicated that there has been much criticism in the country. It takes a long time for us to get a reaction here, but I am very sure that this move will be most unpopular throughout the country. The Postmaster General will have a letter from me in a day or so seeking information so that I may reply to the parish priest at Perigord, Saskatchewan, who writes that the postmistress there has an inadequate salary of $40 a month. She has five children and is giving excellent service. He wonders why we ask a widow, I presume, with five children, to work for $40 a month.

An hon. Member: She should be getting that a week.

Mr. Nicholson: I know that the Postmaster General will reply by saying that unfortunately the total revenue at Perigord is not as high as it should be for the postmistress to get a higher salary. But I suggest that the people at Perigord do a large volume of business with Eaton's in Winnipeg, Simpson's in Regina, and a great many of the mail order houses, and these country post offices have to exist if the city mail order houses are to show profits. I am sure the Postmaster General is going to find it very difficult to satisfy a large number of postmasters across the country who are giving outstanding service and who are receiving a very low annual remuneration.

Therefore on the basis of the fact that wealthy newspapers and periodicals in Canada using the mails are subsidized to a large extent, and in view of the fact that the three cent tax on cheques should be reimposed before there is any increase in postage rates, I cannot support this measure.

Mr. Goode: Mr. Chairman, I am sorry that I was not in the house when the hon. member for Burnaby-Coquitlam was speaking. I am not too sure what he said but I am quite sure of his intent. He may have said something that I will repeat but it may be that the Postmaster General will attach more importance to it if it is said twice today. I speak about the municipality of Burnaby in British Columbia where we have the second largest aggregation of population in the province. We have some 60,000-odd people with four different post office addresses and yet no post office address of our own. When you send a letter to North Burnaby or South Burnaby you address it to North Burnaby, Vancouver, or South Burnaby, Vancouver. For part of West Burnaby letters go to the Vancouver office and those for East Burnaby go to New Westminster. If you ever saw a puzzle in your life that is one.

I am quite sure that the Postmaster General does not know of this situation, and I am quite sure that something will be done now that the hon. member for Burnaby-Coquitlam and I have spoken about it. What we want there before we start paying too much in extra postal charges is a post office of our own. I think 60,000 people are entitled to it. We have a larger gathering of population than in the city of Victoria, and we think we should have this identification of our own.

In regard to this matter of postage, and the increase in rates, it might be that the hon. member for Eglinton has some complaint to make. We could all get up and say that in our ridings we have had half a dozen, or perhaps 20 or 30 mistakes made during the Christmas rush. I have had people write to me and say that they have had half a dozen letters come to them two or three weeks after they were posted. But when one comes to think that in the city of Vancouver there were about 40 million pieces of Christmas mail to handle, he must conclude that the job was done in an excellent manner.

It seems to me too much is being said from the opposition side with regard to the increase in postage. To my mind a five-cent letter is good value, if it is delivered promptly. I am quite sure the Postmaster General's department is doing the best job of which they are capable. Indeed, they are doing a fine job. And if everyone on the opposition side would speak honestly and according to his conscience, I think they would agree with me, too.

Sure, there are complaints—and there will be complaints about every government department, so long as the government is in business. But in my opinion—and I have no wish to curry favour with the Postmaster General, because I have nothing much to ask of him—he and his department are doing an excellent job, and I hope that he will continue to do the job he is doing today.

Mr. Macdonnell: Mr. Chairman, the ground has been so fully and so well covered that I have no intention of making a speech. I rise merely to give a friendly warning to the government. It may be surprising that I should do this, but I do it in the manner in which the late Humphrey Mitchell, whom many of us will remember, always issued his warnings: in a kindly way.

I just want to remind the government that a five-cent piece once lost them an election and to suggest to them that possibly they had better beware of the danger that a five-cent stamp may do the same thing.

Mr. Castleden: Mr. Chairman, may I say a word with regard to this increase in the postal rate. In what I shall say I believe I am expressing the opinions of the majority of people in my constituency.

The vast majority of those people in their small homes do not use the air mail facilities to any great extent. Most of them have few letters to write each week but they realize that Canada is today paying one of the highest postage rates of any country in western civilization. They look with considerable regret on the fact that the government at a time like this, so soon after an election, is prepared to turn around and place an extra tax upon them. They remember that it is only a few months ago that the government came out, shortly before the election, as the great benefactor of the people. At that time they took the excise tax off cheques. They were posing as a tax-reducing government, one that the people should support.

Now, within 140 days after the election is over, the government is seeking to increase the postal rate, and the rank and file of people in my constituency recognize what the government is doing and why it is doing it. If this increase was required, why could it not have been made known eight or ten months ago? This boost in rates is obvious; the people understand it, and they do not like it.

Then, they do not like it for the further reason that they know second-class mail is being subsidized while the little fellow who writes the first-class mail is having to pay the shot. The increased costs which this government is encountering all along the line did not develop overnight. For years the party to which I belong has raised its objections in the House of Commons to the removal of price controls, thus permitting the cost of doing business and the cost of living to continue skyrocketing.

We tried to warn the government that if it did that there would have to be increased costs along with it, and that many of those costs would become permanent. Now we see the cost of living going up, the cost of doing business going up and wages will have to go up. In the light of these facts the government has to come back to tax the people.

The same is true of the increased cost of production of those commodities which our people have to sell. Those production costs have gone so high because the government would not hold the line. When price controls were in force, and when costs could have been kept down, the government did not permit that condition to continue. At this time, with possible recession facing us, and with constant difficulties in selling our products, the government is continuing with these increases. This is just one further evidence of that process.

It is the same story all along the line. The attempt now is to make this increase a permanent one. The Canadian people are now asked to pay for what the government failed to do when it should have been watching costs and keeping them in line.

Mr. Ellis: Mr. Chairman, reference has been made to the increase in wages for postal employees. I cannot think of any group of employees in this country to whom wage increases were so long overdue. I think it rather shameful that the government should seek to use this rather modest wage increase, and the undertaking to have the 40-hour week in certain localities, as an excuse throughout the country for this increase in postal rates.

Some reference has been made to the postal service. If there has been any inefficiency, it is not too difficult to understand when we consider the poor working conditions and the very low wages which have been paid to the postal workers over the past few years. I believe we will have increased efficiency when those workers receive better wages and when there are better working conditions.

One important principle is involved here, just as important as the increase itself. Two ministers of the government have stated that the people of Canada expect the post office to pay for itself. There are two ways of looking at the Post Office Department. Either it will be considered as a public service to provide a very valuable service for the people in this far-flung country or it is going to be considered simply as a commercial venture.

If the government takes the stand that the Post Office Department must pay for itself, then I must ask, in all sincerity, how it can reconcile, on the one hand, the fact that it subsidizes second-class mail, with the argument, on the other, that the post office must pay its own way. You cannot have it both ways. If you believe the post office should be operated strictly along business lines, then logically you must expect the publishers of newspapers and periodicals throughout the country to pay the cost of transmitting their materials through the mails.

I am not going to debate the question as to whether that is advisable or not. What I am saying is that if you accept the principle of subsidizing second-class mail, then you cannot in the next breath offer the argument that the post office ought to pay its own way. You cannot have it both ways. Either the post office is going to pay its way, in which case second-class mail must bear its fair share of the cost of transportation throughout the country, or it will not pay its way.

I suggest that before we have a vote we should have an explanation from the government as to what its attitude is. We must have a clear understanding. If the post office is to be regarded as a commercial venture, one which is to be self-supporting, then I must ask the minister in all sincerity how he justifies a subsidy on second-class mail.

Mr. Mang: I should like to add only a few words in this discussion. Throughout the country we have had in the past decade a great deal of commercial prosperity. As this prosperity has increased, so has the use of the mails increased. In these local post offices spread throughout the rural parts of Canada these public servants, the postmasters in the small areas, towns, villages, hamlets and so on, have found that their work has increased. I am hoping that they will get some small share of this increase in postal rates to compensate them for the extra work they have to do. The days upon which the bags and bags of Eaton's and Simpsons-Sears' catalogues arrive the work of these men assumes such proportions that even in a small village of 185 people they almost

have to hire a drayman to deliver them. That means a tremendous amount of work. Father, mother, brother and sister are recruited on that particular day to help get these catalogues into their particular cubby holes and heaven help the local postmaster if that catalogue is not there at the proper time. The problem is of such proportions that postmasters phone each other ahead and say: "Eaton's catalogue is here; get ready!" These men have been rendering a great deal more service than they have in the past. The only way we can recompense them is by giving them extra pay, and I am hoping that when this increase goes through they will get consideration in the distribution of the extra money.

With respect to the other point, I find myself in a peculiar position. I am supposed to be on a side of the house that is presumed to represent big business and big corporations, and so on. The burden of this increase is going to fall on big business, and on those people who send out circulars, advertising, catalogues and so forth. Very few farmers in western Canada write many letters. Very few rural people write letters. They do not like to write them, even if they have the time. Even if the income tax department sends them a registered letter they sometimes neglect to answer it. They just do not do much writing. But the people who will be affected by these costs are the people best able to bear it, the corporations and big business generally. And they are the very ones who are trying now to give that section of business life in Canada protection.

I just thought I would put in a plug for the small country postmasters who can only get their salaries increased to even a small degree by the addition of further increases of this kind. Nobody is going to miss it very much. I am in agreement with the principle that this government has been following in that it is trying to show the people that what they ask for in service they must pay for, and I think that is a very good principle.

Mr. Nickle: I should like to get in the last extra word here. This discussion today, Mr. Chairman, has been very much like the unfolding of a mystery story along the lines of those written by Erle Stanley Gardner and Mickey Spillane. I have been very interested in listening to the debates today and to get into that mystery of the Canadian post office. As a matter of fact, to use the analogy of a mystery story, what we have unfolded here today has been the story of the hidden subsidy of the post office, and who subsidizes whom, how and why.

In that regard, Mr. Chairman, it came as a surprise to me, and I am sure it will to the people of Canada, that in the first of our many subsidies connected with the Canadian post office we have those who for many years past have been attaching a three-cent excise stamp or postage stamp to every cheque that they issued. As a result that subsidy has been paid by those who write cheques in order to help subsidize the post office operation, to the tune, I understand from the minister, of some $7,500,000 a year.

The next subsidy that became apparent today in the discussion seems to be the subsidy which has been paid and continues to be paid by the Post Office Department to help support that other arm of government, the Trans-Canada Air Lines. One hon. member brought out some figures which indicated that from the post office revenues the Trans-Canada Air Lines are receiving $5 million or more a year. The T.C.A. is being paid that amount by the post office to carry mail at a rate some four times the rate charged by the same Trans-Canada Air Lines for the transporting of normal air cargo.

Then there appears to be a third type of subsidy, namely, the subsidy that is being paid by the post office to help along other government departments, the franking privilege. That amounts to somewhere around $4 million or $5 million a year, which should properly be charged to all departments of government rather than against the users of the postal service of this country.

We then come to a fourth subsidy, namely, the subsidy paid by the post office to help provide Canadians with their newspapers and periodicals, the second-class mail. It was mentioned today that in the handling of second-class mail the post office shows a deficit of some $28 million a year.

Then we have another subsidy, namely the subsidy paid by the post office to subsidize third-class mail, circulars and the like. Perhaps we should include in the third-class mail such things as Christmas cards. I understand that they come in that category, provided they are unsealed. Since that type of business comes at a particular time of the year, I think it might rank as one of the small things that government might very well do for the people who make government possible. Then we come to another subsidy again. It has been disclosed here as the subsidy which the taxpayers through the Department of Public Works are passing on to the Post Office Department by the provision of postal buildings to the Post Office Department across the country.

We now come, sir, to the increase in postal rates, and here we have another new type of subsidy, or rather an extension of former types of subsidy. Those who load the mail with love letters and the like are now going to be asked to increase the subsidies they will pay to help keep this post office on an even keel. Well, Mr. Chairman, it seems to me that we have a conglomeration of subsidies: the Post Office Department subsidizes Trans-Canada Air Lines, and other departments of government with the franking privilege, and the Department of Public Works subsidizes the Post Office Department in the provision of buildings; the newspapers and periodicals are being subsidized through rates which certainly do not meet the cost of providing this service; and now we have this new proposal for increased postal rates which are presumably going to yield something like $14 million in extra revenue in order to permit the Post Office Department to break even. Now that we have eliminated one subsidizer, the writer of cheques, who no longer has to put that three-cent stamp on a cheque, we find that the Post Office Department has lost $7,500,000 in the past year. But, Mr. Chairman, in the attempt to break down the new revenue of $14 million which it is expected will come from this proposed increase in postal rates, I have been wondering who is actually going to pay this cost, so I should like to take one specific case of a business of which I have some personal knowledge. This business is located in the west and uses the first-class mail a great deal. Its cost of postage is going to increase slightly over $3,000 a year, but that company is not going to lose $3,000 a year. As it turns out, it can take a tax write-off on the extra postage it is going to be charged of $1,500 through reduced corporation taxes. Then the shareholders of the company with their present taxable position will find that on their personal taxes on the dividends accruing they will save another $600. In other words, in the case of this particular company, while there will be an increase in the payment to the Post Office Department of $3,000, approximately $2,100 will come out of the hands of the federal government through reduced tax income.

The result is that the company will actually pay only about $900 or 30 per cent of the total increased postal charges while the federal government will be providing the other 70 per cent. In the case of individuals who write the occasional letter they will find their postal costs increased 25 or 40 per cent, but that will not amount to very much money.

Is the Post Office Department in a position to give us an estimate as to what proportion of this $14 million added revenue is going to be offset by reduced tax income to the federal government, in effect being paid by other government departments? In other words, to what extent is this $14 million which is to go to the Post Office Department going to be another subsidy paid by other departments of government?

It seems to me that it would be far better if instead of increasing the postal rates at this time the government reviewed carefully all these hidden subsidies that are now reflected in the operations of the Post Office Department. If the handling of second-class mail, newspapers and periodicals at present rates is justified as a form of subsidy, then that subsidy should be included openly in the accounts of this government instead of being paid for by the users of first-class postal service.

Let us look at all these other subsidies. When we have added them all together, the subsidies paid by the post office and the subsidies paid to the post office, let us try to determine whether the Post Office Department cannot be self-sufficient and operate at a profit without the increased postal rates proposed in this measure.

Mr. Hahn: Mr. Chairman, I do not wish to take up too much of the time of the committee, but lest it be thought that by not speaking I was indicating I was for increased rates I think I should at this time let the Postmaster General know what my attitude is as well as the attitude of a number of people in the Westminster area toward this proposed increase.

If this proposed increase is put into effect, and I imagine it will be, there will be additional revenue to the Post Office Department. I submit that that revenue should be passed on to the civil servants. The new rates of pay provided earlier in the session were a great help to the civil service and to the post office officials especially, but if the public is going to be milked for an additional cent or more in postage then any additional revenue derived from such increase should be passed on to those particular civil servants.

Possibly one reason why we do not have too good a postal service lies in the fact that in my area at least the Post Office Department has lost a number of its best civil servants who were able to obtain more money from private industry. Casual labour in Vancouver receives $1.35 an hour; contract labour receives around $1.59 an hour; while the letter carriers were paid $1.28 an hour. The new increase, while commendable, does not bring these men up to that particular rate.

It is the business of politicians to shape the policies and statutes of the country, but the carrying out of legislation is the job of the civil service. I suggest that the wage scale of the civil service should be as high as that of private industry so that we can keep our services as efficient as possible. Perhaps this increase would be warranted if that were kept in mind.

Mr. Knowles: When the Minister of Finance made his announcement on December 8 I asked him if he could make available in some appropriate manner a list of the localities in which the five-day week would be put fully into effect. If I may paraphrase the minister's answer, it was to the effect that he hoped very shortly to make public a statement along the lines of the one for which I had asked. Can the Postmaster General state whether that list has yet been made public or whether it is to be made public soon?

Mr. Cote: I am not in position to answer my hon. friend tonight, but I shall investigate the matter. My officials are working with the civil service commission and the Minister of Finance. I cannot cover all the ground which has been covered by many hon. members today but I shall peruse what has been said and I will try to give all the information I have been asked to give.

The Chairman: Shall the resolution carry?

Mrs. Fairclough: Do I understand that the minister is not going to make a statement while we are at the resolution stage?

Mr. Cote: I do not want to duplicate anything I might say. I made a statement; I could make a long speech now and then on the second reading make another long speech. I do not want to impose two speeches on the same subject on the members of the house.

Mr. Knowles: It would be better to withdraw the resolution.

Mr. Cote: Hon. members have asked so many questions today that I am not in a position to answer all of them now. I assure the hon. member for Hamilton West that I shall give her all the information she has asked for today.

The Chairman: Shall the resolution carry?

Mrs. Fairclough: Mr. Chairman—

The Chairman: Shall the resolution carry?

Some hon. Members: No.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we will continue this debate; then the housing bill; then the bill to amend the acts respecting the Northwest Territories; and then begin our study in committee of the whole of the Criminal Code.

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

HOUSE OF COMMONS

Friday, January 15, 1954

The house met at 2.30 p.m.

KURT MEYER—JOHANN NEITZ

STATEMENT WITH RESPECT TO REVIEW OF SENTENCES

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, in view of the interest which has been expressed by a number of members from time to time in the Kurt Meyer case, I should like to make a brief statement with respect to his case and that of Johann Neitz, the only two German war criminals convicted by Canadian military courts still serving sentences. Their sentences are being served in a British administration prison at Werl, Germany.

The terms of the agreements between the occupying powers and Germany provided for the review of the sentences of war criminals. In view of the delay in bringing these agreements into effect, some time ago boards were set up in each of the British, United States and French zones to review the sentences of all convicted German war criminals still held in custody in those zones.

The Canadian government appointed Brigadier Sherwood Lett, Q.C., C.B.E., D.S.O., M.C., E.D., of Vancouver, to represent it as an observer when the cases of Meyer and Neitz were considered by the board set up in the British zone. This board has reviewed the sentences now being served by Kurt Meyer and Johann Neitz and has recommended that in both cases the sentences be commuted to fourteen years.

The recommendation of the board in each case was unanimous and Brigadier Lett has recommended that the government should accept the recommendation of the board.

After the most careful consideration of the circumstances the government has accepted the recommendation of the board.

Both Meyer and Neitz will be eligible for such remission of their sentences as they may have earned or may earn in accordance with the rules in force in the prison where they are confined and which are laid down by the British custodian.

I might add that I understand the reviewing boards' recommendations in each zone have been accepted in each case by the governments of France, the United Kingdom and the United States.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of National Defence arising out of the announcement which he made a moment ago of the reduction of sentence imposed upon Kurt Meyer. Is that reduction not most generous compared to some of the other sentences? Did the government agree with it? Will the minister say when under the present rules now in effect Kurt Meyer will be released from custody?

Mr. Claxton: With regard to the first part of my hon. friend's question, the reduction in sentence is by no means generous in comparison with others. I understand it was made on precisely the same basis as similar sentences have been reduced. Indeed it is a fair thing to say that a great number of men sentenced to life imprisonment for much more serious crimes than this—

Some hon. Members: Oh, oh.

Mr. Claxton: —have been released already.

An hon. Member: What could be more serious?

Mr. Claxton: With regard to the second point, that will depend upon the rules in effect in the prison where he is confined, which prison is administered by the British authorities. He will receive exactly the same treatment for good behaviour or whatever service he has rendered as other prisoners who are there.

Mr. Diefenbaker: Does not the minister know when Kurt Meyer will be out on the basis of the regulations that are in effect there?

Mr. Claxton: I cannot tell the hon. member.

Mr. Diefenbaker: Is it not a fact that on the basis of a 14-year sentence he would be available to be released immediately?

Mr. Claxton: It should be some time within a matter of months or a year or so. I cannot give the exact information because we are leaving that recommendation to be made later by the British authorities.

Kurt Meyer and Johann Neitz

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, supplementary to that, I should like to ask the minister what could be more serious than to order the shooting down of young Canadians in cold blood contrary to every rule of war?

Mr. Claxton: I am sorry, but Kurt Meyer was not convicted of ordering the shooting of Canadian prisoners of war.

Mr. Drew: May I ask what he was convicted of, since that certainly was the charge.

Mr. Claxton: He was found not guilty of that on the evidence as disclosed to the court. The sentence imposed upon him was imposed in view of his conviction of having what would amount to constructive responsibility for this action. It took place in an area where he was in command. I am speaking from memory, and I should not do so in connection with a matter of this kind, but my recollection is that he was not found guilty of actually ordering the shooting.

I think I should make it plain that some people who have been released were in the gestapo or security police in some of the countries and were found guilty of killing, torturing to death or causing to be tortured to death numbers of citizens of those countries. Still they have been released.

Mr. Drew: I should like to ask another question. Is it not correct that Kurt Meyer was found guilty and sentenced to death for his responsibility for the inexcusable shooting of Canadian soldiers under his control?

Mr. Claxton: That is quite a different thing from the first statement made by the Leader of the Opposition. That is substantially correct.

Mr. Speaker: May I point out for future guidance that sometimes several supplementary questions following a main question are tantamount to having a debate on the matter. I did not want to stop the questions being asked because I realized the interest which hon. members had in the subject matter of the announcement made by the Minister of National Defence. However, I should like hon. members to refresh their memories as to the rules governing oral questions to be asked before the orders of the day. I should like to quote briefly from a ruling by Mr. Speaker Macdonald to be found on page 428 of the *Journals* of Tuesday, May 29, 1951, as follows:

> I would however emphasize that these oral questions should be asked only in connection with very urgent and important matters of public concern and only if it would not be in the public interest to place them on the order paper and receive answers in accordance with the method provided for in the standing orders. They should always be brief. No debate is permitted and the reply should be as concise as possible.

DUMPING

INQUIRY AS TO REGULATIONS UNDER AMENDED ACT

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, on Tuesday last the hon. member for Winnipeg North Centre (Mr. Knowles) asked whether any regulations had been passed under Bill No. 29 or whether any instructions had been issued under that bill since it was passed. I took notice of the question and promised to reply to it as soon as possible.

The amendment to the Customs Act contained in Bill No. 29 did not call for the issuance of regulations, and no regulations have been issued. Instructions, however, were issued to all customs officials. The terms of these instructions I conveyed to the house on December 16 and they may be found on page 978 of *Hansard* of that date.

ALLEGED IMPORTATION OR DUMPING OF VEGETABLES IN MARITIME PROVINCES

Hon. J. J. McCann (Minister of National Revenue): Yesterday the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) asked whether the department had received complaints with respect to the importation or dumping of United States vegetables in the maritime provinces, and if so whether my department had taken any action with respect to the complaints.

The department has not received any recent complaints in respect to the dumping of United States vegetables in the maritime provinces. However, the minimum seasonal specific duties provided in the tariff are being applied regularly on recommendation of the Department of Agriculture, and as recently as January the 13th the minimum specific duties on cabbage and carrots were applied in the maritime provinces.

The duty under that is cabbage nine-tenths of a cent a pound and carrots one cent a pound in place of the regular tariff of ten per cent. The former of course is much higher.

EXTERNAL AFFAIRS

INQUIRY AS TO SPECIAL DAY FOR DISCUSSION

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the Prime Minister? In view of the proposed calling of the general assembly of the United Nations and the developments in international affairs since external

affairs were last discussed in the house, would it be possible for the government to arrange for an early discussion of external affairs?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, this matter has been under consideration, as you know, and has even been discussed with you, and I hope we have found a method whereby it can be arranged to have a date next week when external affairs might be discussed, provided of course that there was no serious objection from any quarter of the house to this interruption in consideration of the ordinary business of the house.

NATIONAL DEFENCE

INQUIRY AS TO DISCIPLINARY ACTION AGAINST COLONEL PECK

On the orders of the day:

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I should like to address a question to the Minister of National Defence. In view of the news dispatches in this morning's papers, which read, "Hear army critic asked to resign as blast sequel", is the minister in a position to inform the house whether any disciplinary action has been taken against Colonel Peck as a result of the recent speech he made?

Mr. Dechene: A soldier wants to run the country.

Hon. Brooke Claxton (Minister of National Defence): The situation regarding this, Mr. Speaker, is as follows. Lieutenant Colonel Peck made a speech before a branch of the Vancouver board of trade, and that speech was reported by the Canadian Press. If Colonel Peck or any other officer made a statement such as appeared in the report of the speech in the Toronto *Globe and Mail* of last Tuesday, then I believe everyone would recognize that he was quite unsuited to command any unit of the Canadian armed forces.

However, I did not take that dispatch without making inquiry. When we got a copy of the speech which Colonel Peck says he delivered it appeared that while there were some remarks in it which might be injudicious or injustified, still it was a sincere and honest and well-intentioned effort to arouse interest in the reserve army. On the understanding that the speech was given as he says it was given and according to the text that was made available to us, no further action need be taken. I would point out that Colonel Peck as a member of the reserve was not on duty at the time and consequently was not subject to the code of service discipline.

Mr. Fulton: Has the Minister of National Defence any information as to whether Colonel Peck's speech was in effect cleared with the area commander, Brigadier Megill, before its delivery?

Mr. Claxton: I understand that that was done, yes.

THE BANK ACT

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Solon E. Low (Peace River): Is the Prime Minister in a position to inform the house approximately when the government expects to be able to bring in the amendments to the Bank Act, and when those amendments will be referred to the banking and commerce committee?

Right Hon. L. S. St. Laurent (Prime Minister): A similar question was asked of the Minister of Finance (Mr. Abbott) on December 1 last by the hon. member for Kamloops (Mr. Fulton). At that time the Minister of Finance stated that he did not anticipate it would be possible to bring in this legislation before early in February. As a matter of fact I know that the drafts have practically been completed, but the government does not wish to pass definitely upon them in the absence of the Minister of Finance. They would like to have him present when the official drafts are being put into final shape for recommendation to the house.

We expect the Minister of Finance back here in the latter days of January and we know that he, as well as other members of the government, is anxious to have the legislation brought before the house as soon as possible and to have it go to the banking and commerce committee with as great dispatch as is convenient.

HEALTH INSURANCE

REFERENCE TO SPEECH OF ONTARIO MINISTER OF HEALTH—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the announced increases in Blue Cross rates in Ontario and in view of the statement made by the Ontario minister of health regarding national health insurance, can the minister say whether the government will reconsider the matter of legislation with regard to a nation-wide health insurance plan at this session?

Inquiries of the Ministry

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I have dealt with this matter on at least two occasions during the course of the present session. I have not seen the statement of the minister of health in Ontario to which my hon. friend directs my attention—

Mr. Knowles: He said he would have national health insurance within five years.

Mr. Martin: I did read in this morning's *Globe and Mail* that the minister of health in Ontario spoke appreciatively of the co-operation he has had from the federal government.

POLIOMYELITIS

REFERENCE TO TESTS BEING MADE WITH NEW VACCINE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, has the attention of the Minister of National Health and Welfare been drawn to an article appearing in the New York *Times* of January 2, 1954, regarding extensive tests being made with a new polio vaccine? If so, is any similar action being taken in Canada, or is there any joint action of the two governments?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I do not know what your ruling would be as to whether this question is one that should appear on the order paper. I should think it would be one of that kind. However, I can dispose of it now by saying that we are aware of the vaccine mentioned.

Perhaps the hon. member will recall that I made a statement early in October to the Canadian Public Health Association pointing out that this vaccine was now being produced at the Connaught medical research laboratory at the University of Toronto, and that the federal government through the national health program had made available to the Connaught laboratory substantial funds for its more general research program. I said that we were following this particular research project with great interest. It is clear therefore that in this way we were well aware of the situation, long before the New York *Times* called attention to it.

HOUSE OF COMMONS

MINISTER OF TRADE AND COMMERCE—BIRTHDAY CONGRATULATIONS

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, I rise on a question of privilege. As I represent a large number of the friends of the first and No. 1 optimist in Canada, we would like to express to the Minister of Trade and Commerce (Mr. Howe) our hearty congratulations, wishing him success, true happiness and long life.

ARMED FORCES

ALLOWANCES PAYABLE TO CANADIAN PRISONERS OF WAR IN KOREA

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to ask a question of the Secretary of State (Mr. Pickersgill). Would he inform the house if payments of prisoner of war allowances will be extended to Canadian prisoners of war in Korea? And another question along the same lines. What percentage of Canadian prisoners of war who are eligible have, to date, applied for these allowances?

Mr. Speaker: Order. I think this is one question which should be placed on the order paper.

POST OFFICE ACT

AMENDMENT TO INCREASE POSTAGE ON LETTERS AFTER APRIL 1, 1954

The house resumed, from Thursday, January 14, consideration in committee of the following resolution—Mr. Cote—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to amend the Post Office Act to increase the rates of postage on letters posted in Canada from the 1st day of April, 1954,

(a) on each letter for delivery within the postal area in which it is posted, from three cents to four cents for the first ounce or fraction of an ounce, and from one cent to two cents for each additional ounce or fraction of an ounce, and

(b) on each letter posted within one postal area for delivery in another postal area from four cents to five cents for the first ounce or fraction of an ounce, and from two cents to three cents for each additional ounce or fraction of an ounce.

The Chairman: Shall the resolution carry?

Mr. Drew: Mr. Chairman, is not the minister going to make some attempt to answer some of the questions he has been asked?

Mr. Cote: Mr. Chairman, I would be glad to do so. I wish first to thank all those who have participated in this debate so far and who, whether they were sitting on this side of the house or on the other side, have expressed their appreciation of the postal service, postal officials and postal employees—and even the Postmaster General.

There are those who are opposed to the resolution and, in greater numbers of course, there are those who are in favour of it. It

is interesting to note that even those who are opposed have the same object in view. They are in favour of the object of the resolution, which is to seek to amend the Post Office Act so as to meet an expenditure of $13,500,000. The only difference between these two groups of members is this: those who favour the resolution say that they want the users of the service to pay for it; while those who are opposed to it say, "Let everybody pay for it, whether they use it or not."

Incidentally everyone knows that there is no connection at all between this resolution and the provision in last year's budget under which the excise tax was abolished. Even those who are criticizing the abolition of the excise tax should remember that at that time, in 1953, there was no question of expenditures amounting to $13,500,000 for the implementation of the 5-day 40-hour week, and a general increase in salaries and improvements for mail couriers.

As I have already indicated, I am going to try to answer most of the questions which have been asked. The proposed increase in letter rates is occasioned by certain definite factors. The salaries of civil servants have been increased since December 1 last. Similar increases are being granted to revenue postmasters. Rates paid to rural mail couriers have been and are continuing to be adjusted upwards.

On April 1, 1954, the five-day 40-hour week will go into effect, necessitating extra staff. These items all involve additional expenditures which must be met either by the payment of additional taxes by the general taxpayers or by an increase in postal rates. It has been the aim of the department for many years, as I said before, to endeavour to operate so far as is practicable within its revenues.

Some hon. members may not agree with my view, but I am convinced that it is the most satisfactory and honest method. The Post Office Department is a service department and should, within reason, pay its way. In my opinion it is equitable that the increased costs should be paid by those who use the service.

The accounting picture is a simple one. Now I am going to give the committee some figures. The surplus at the end of the fiscal year 1952-53 was $6,500,000. The decrease in revenue in 1953-54 due to the elimination of postage for the payment of the tax on cheques and remittances amounted to $7,500,000.

So right there, on April 1, we are going to have a deficit of at least $1 million. The foreseeable added expenditures are as follows: additional payments to postal employees and revenue postmasters, $7 million; adjustment in rates to mail contractors, $1,500,000; added staff to cover the five-day week scheme, $5 million. This makes a total of $13,500,000.

We are expecting an added amount of $13,500,000 for the foreseeable increased expenditures and this, with the deficit of $1 million we are going to have on April 1, makes $14,500,000. Taking a gross expected revenue of $15 million from the increased rate on letters it will be seen that we have left only half a million dollars to cover other increased expenditures.

Thus an additional amount of $14,500,000 is required to meet additional costs, which will have to be met during the next fiscal year. This leaves approximately $500,000 to take care of possible developments. It does not include any leeway for increases in cost of material, increases in cost of transportation, or other contingencies.

Reference has been made to increases in rates which have been granted within the last decade. These increases, however, apart from the increase in the letter rate of one cent, which took place in 1943, affected only a small portion of the total mail. As a matter of fact the total increases in postage rates in the past ten years have resulted in an increase which presently works out at approximately $28 million per annum. This in total is only 22 per cent of the gross revenue of approximately $130 million. The balance of revenue growth is due to increased business with its corresponding increase in expenditures.

Let us look for a moment at a comparison of increases in postage rates with increases in costs of other public services or commodities. The increase in the letter rate of postage over a period of 30 years is approximately 66⅔ per cent. During that period what has happened in other public services? The streetcar fares have gone up by over 100 per cent. The price of newspapers has been increased by more than 150 per cent. The charges for public calls on the telephone have increased by over 100 per cent. I could go on making similar comparisons. Why then should not the postage rates also bear some relation to the added costs?

If we make a comparison with other major items of expenditure within the service, what do we find? The rate of a 60-foot postal car has gone up over 71 per cent within the last twenty years. The expenditure for rail transportation has increased nearly 100 per cent. The cost of carrying mail by water has increased by over 300 per cent. The cost of our land mail services has increased by

approximately 150 per cent, and the salaries of the basic classes of employes in the public service, such as letter carriers, postal clerks and railway mail clerks, have increased approximately 100 per cent.

As I have indicated, the estimated effect of the proposed increase on the revenues of the department will be approximately $15 million. If you look at the Postmaster General's report for the fiscal year ended March 31, 1953, page 3, you will find statistics which will enable you to check this estimate. I am now trying to answer directly the question: How did you arrive at this estimate? There are approximately 1,500 million pieces of first-class mail which, at one cent an item, will give you $15 million. To this should be added additional postage on the items which require more than the initial rate of postage. The total increase we estimate will be in the neighbourhood of $15,750,000. Against this, we must deduct the items forwarded by air mail, on which at present an air mail surcharge is paid. We estimate that this will be in the neighbourhood of $900,000, so that you will see that the amount we expect to obtain is slightly less than $15 million.

Reference has been made to the rates of postage paid in the United States. In this connection I would suggest that you examine the financial statement of the United States Post Office Department and look also at the deficit. I could further support the case for the increase by referring to the rates paid in other postal administrations, but I prefer to deal with this matter in relation to the Canadian economy.

Reference was also made and opposition expressed on the one hand to so-called hidden subsidies, but on the other hand it was suggested that the additional costs to which I have referred should be overcome by charging them to the general surplus. In the same breath some have criticized the subsidies and they have suggested them. These two approaches appear to me to be inconsistent. As far as I am concerned, I prefer to make an outright statement as to what the cost will be and, as I have already indicated, have those persons who use the service meet the additional expenditure. This seems to me to be the most equitable and straightforward way.

Some hon. members have referred to the surplus which the Postmaster General's reports show over the past twenty years. I would ask these gentlemen to bear in mind that during these years the department's revenues were augmented by the amount of postage stamps which were being used in payment of the tax on cheques or other remittances. Had this not been the case, then the surpluses to which they refer would have been materially reduced, if not dissipated entirely.

This year no postage stamps have been used in payment of the tax on cheques. As a result the surplus of $6,500,000 shown in the accounts for the last fiscal year will, it is estimated, become a deficit of at least $1 million.

It has been suggested that the department should not anticipate the increased expenditures, but should wait until the deficit actually occurs. I might say it is not a question of anticipation but one of fact. The increased rates of payment to postal employees are effective from December 1, 1953. Adjusted higher rates have already been paid to rural mail couriers, and adjustments are continually taking place. Arrangements are already being made for the recruiting of the additional staffs required to give the five-day forty-hour week service, and there is already a potential deficit as the revenues have barely been maintained compared to last year, whereas the total expenditure has increased during the nine-month period already elapsed by $4 million.

I appreciate the reference made to that great Liberal, Sir William Mulock, and to the fact that, while he was postmaster general, he reduced the letter rate of postage from 3 cents to 2 cents. At that time the opposition opposed the decrease. Now they oppose the increase. But the point I wish to make is that in 1898 the initial salary of postal employees was $400 a year. Now it is $2,400 a year, an increase of 500 per cent. The letter rate now proposed, namely five cents, would mean an increase of 150 per cent over the rates charged more than 50 years ago.

I now come to two specific cases. The hon. member for Vancouver East made the statement that direct air mails from Vancouver to Calgary were carried on the Canadian Pacific Air Lines rather than on the direct Trans-Canada Air Lines. Such is not the case.

He also made reference to mails being carried on the Canadian Pacific Railway to Kamloops and then transferred to the Canadian National Railways. There is nothing wrong with this. It is good post office practice and is simply the most economical utilization of space paid for and available.

I believe he also stated that he had been informed that the department was endeavouring to eliminate the night differential granted to postal employees. We have no

such thought in mind. I am afraid that he is getting his information from an unreliable source.

Another point which was raised related to an incident mentioned by his leader which happened a number of years ago where mails were stated to have been carried in what seemed to be an illogical manner. The department does not claim to be perfect. Errors are bound to occur in an organization of this size, but there is usually some justifiable reason for the action taken. We are always desirous of being told when our decisions do not seem to be logical or justifiable, and we shall always be glad to explain the situation, if necessary to make inquiries, and, if any reasonable improvement can be made with due regard to economical operation, it will be done.

Now that we are talking about the service, let me give you some indication of the additional service which has been given by the Post Office Department during the past ten years. This is in answer to some suggestions that the service was poor or even worse. The number of cities where door to door delivery is given has increased from 89 to 127, or 38 additional cities. The number of additional homes served by letter carrier during this period is over 750,000. In the rural areas the number of patrons receiving rural mail delivery has increased from 290,000 to 410,000, an increase of 120,000 boxes. Therefore in the urban and rural areas over 870,000 additional families have been given individual service to their own homes or boxes in the last ten years.

In the outlying districts postal service has assisted in the development of such areas as Yellowknife, at points where there are uranium and other mining projects and where there are water power and aluminum developments such as at Kitimat in British Columbia. Additional service has also been given to Sept Iles in the province of Quebec in connection with the iron developments in Ungava, Labrador and northern Quebec. Many other such cases could be enumerated. As a matter of fact, the amount which we are paying for air stage services, that is, services to outlying and pioneer points, is approximately $1,500,000 a year.

May I come now to my hon. friend, the hon. member for Eglinton. He exhibited to the house several envelopes to indicate the standard of service. I know he did not knowingly wish to be unfair, and he was good enough to give me the exhibits so that due inquiry could be made. This has been done. I am going to read to the house the report I have received in each case. I am glad to do this as many charges of poor service are due to carelessness or irregularities on the part of the complainants themselves. Hon. members will recall that there were three letters addressed to the hon. member for Eglinton which were delayed unusually, even if it was at Christmastime. These letters could not be sorted because they lacked the necessary street address. All postal sortation distribution methods are based on address. The item would have to be diverted to the directory branch for search. During this past Christmas rush the volume given directory service was approximately 3 million pieces. It would be completely impracticable and impossible to expect that 6,600 helpers and 3,000 regular staff could memorize the addresses of individual people. It cannot be assumed that the residence of the hon. member for Eglinton would be known to individual members of the staff. I know that for me personally there is only one member for Eglinton, but I will assure him that for the employees of the postal service the situation is a little different, even if he is disillusioned on that ground.

Mr. Fleming: Would the minister permit a question?

Mr. Cote: Let me finish. I think the hon. member needs this information to put a true question. The latest Toronto street directory lists the names of fifteen people with the name "Fleming" whose first initial is "D". Of course, as I said, there is only one Don Fleming to me, but to these people there is one Don Fleming, one Donald Fleming, one D. M. and one Donald M. In the latest Toronto Bell Telephone directory there are eight male Flemings whose first initial is "D". There is one D. M. Fleming and one Donald M. Fleming. All of the foregoing are at different addresses. Neither of the directories indicates that any of these Flemings is an M.P.

During the peak there were seventy-two people devoting their time exclusively to insufficiently and improperly addressed items of mail. The individual search for information, it will be appreciated, is time consuming and involves high cost because of the number of people necessary to rectify the neglect of mailers. Let me add this in order to be fair to my hon. friend. He said that the name and address, "Donald Fleming, Toronto, Ontario", this is the way that the name appears in the house directory, parliamentary guide and similar works giving addresses. May I suggest to him and to all members who live in important cities similar to Toronto—

Some hon. Members: Hear, hear.

An hon. Member: Nothing is similar to Toronto.

Mr. Cote: —that where people have common names the address should be given as completely as possible. As I have already said, the fact that this occurred at a time when the department was dealing with millions and millions of letters explains the little delay in the case of the letters to my hon. friend.

Mr. Fleming: Has the time arrived for the question?

Mr. Cote: Yes.

Mr. Fleming: Is the minister aware that mail goes that way from Ottawa all the time in the case of Toronto members, that is to say, with nothing but "Toronto, Ontario" and "M.P." on it, and that in the ordinary case delay in delivery for the purpose of finding the street address is never more than half a day? That is a far cry from three weeks' delay as in one of the cases I mentioned last night.

Mr. Cote: It is possible in these cases, since the letters must have been returned to my hon. friend, that they came back here because there was no Toronto address on them.

Mr. Fleming: No, they did not come back.

Mr. Cote: A delay of ten or eleven days or even three weeks is self-explanatory in the light of the information I have already given. I can appreciate that other persons may have some friendship for my hon. friend. There is only one man like him and he may receive letters more rapidly in other circumstances, but even if he is well known the fact is that at Christmastime we have additional staffs including some people doing work on a determined route who cannot memorize even important names. I must give the hon. member full information because I want to satisfy him. Then there was a card and in this case the card was well addressed. There is no doubt about that.

The Chairman: Order. I can recognize the minister's desire to satisfy the hon. member for Eglinton, but I hope that hon. members will realize my difficulty in that the taking up of individual cases in the committee will delay the debate. I think we should confine ourselves to examples for the purpose of clarifying the debate rather than take up individual cases.

Mr. Cote: If my hon. friend is satisfied, I am satisfied.

Mr. Fleming: I am anything but satisfied, Mr. Chairman. I am only satisfied of this, that the post office service has deteriorated to a shocking degree, and if the minister has not got a better explanation than he has offered this afternoon he had better look elsewhere for any justification for this monstrous increase in rates. Why not let us hear about the card that was delayed a week and which was properly addressed to the street address?

Mr. Cote: I do not want to be out of order, but if the chairman will allow me I will give the explanation about the card. This item is prepaid at the third-class rate. First and second-class mail has priority over it. This item is postmarked December 30 which would be at the peak of the rush of New Year's cards, the peak of New Year's cards being the day before New Year's eve. With the long week-end intervening, this third-class item would be processed on the first full working day with total staff on duty, namely, Monday, January 4, and, as stated by the hon. member, it was delivered on January 5, 1954.

Mr. Fleming: No, January 6 for the others. They were after mine.

Mr. Cote: No, he said the 5th.

Mr. Fleming: To me, but I said the others received their similarly mailed cards on the 6th.

The Chairman: I wonder if the minister would agree with me that these individual requests will simply delay the business of the committee. Surely, they can be handled individually by the member for Eglinton and the minister.

Mr. Fleming: No, Mr. Chairman.

Mr. Cote: I have attempted to reply fully to the representations which have been made by the opposition. If any further information is required I should be very glad to furnish it, if possible when the house is in committee on second reading. If there are further specific cases, I shall be glad to deal with them in my own office if hon. members will bring them to my attention.

In view of the remarks made concerning delays in service in the speeches delivered by the hon. member for Hamilton West and the hon. member for Vancouver East, it might not be inappropriate for me to read two letters which have been received concerning the postal service in those centres. The first one is a letter dated December 28, 1953, from Mr. J. H. Moore, general manager of the Hamilton chamber of commerce, to Mr. W. J. Turnbull, the deputy postmaster general.

It reads:

Dear Sir:

On behalf of the members of the Hamilton chamber of commerce I should like to express to you our

sincere appreciation of the wonderful efforts made by the Hamilton post office in caring for the heavy Christmas mail this year.

Under the leadership of our postmaster, Mr. C. D. Stipe, the staff of the post office has done a magnificent job in keeping deliveries of regular and Christmas mail up to date for the past week or ten days.

I understand that our post office handled over one million more pieces of mail this year than was the case last year and in spite of this we have received all our regular business mail on time every day.

Speaking personally for this office, I think I can safely say that all our first-class mail has been delivered the day following its mailing and even second and third-class mail has been delivered by the second day after mailing.

This is, indeed, a very fine record and on behalf of the business and industrial firms of Hamilton I feel that you would be interested in knowing how much we appreciate this very fine service.

Yours sincerely,
J. H. Moore
General Manager.

Now, I turn to the member for Vancouver East because there is a letter from his riding. This letter is dated January 11, 1954, and is from Mr. Reg. T. Rose, executive secretary, Vancouver board of trade, Vancouver, B. C., to the Postmaster General. It reads:

Dear Sir:

At a meeting of the council of the Vancouver board of trade on Thursday last, I was asked to advise you that the council had noted the efficient operation of the Vancouver post office during the heavy pre-Christmas period and desired to extend, through you, to Mr. James Turner, the postmaster, our appreciation of the splendid efforts which he and his staff made to ensure a prompt and efficient delivery of the heavy volume of mail.

The president and a number of officers of the council visited the post office at the height of the pre-Christmas mailing season and were impressed at the effective way in which handicaps caused by lack of proper equipment, overcrowding of floor space and the use of part-time inexperienced staff had been overcome.

Your department is to be complimented on the efficiency of its operation, as it is evidenced in Vancouver.

Yours very truly,
Reg. T. Rose,
Executive Secretary.

Mrs. Fairclough: May I ask the Postmaster General a question? Did the department issue a form letter by which the chambers of commerce were provided an opportunity to answer?

Mr. Cote: No, we have enough to do to look after your mail.

Mrs. Fairclough: They are similar.

Mr. Cote: Now, Mr. Chairman, may I resume by saying that we must be fair to one another and realistic about the whole problem confronting us. After all, we all agree that these expenditures are necessary in order to implement the five-day week, and cover the salary increases of the post office employees and the rural mail carriers. No one is to blame. I believe I have given sufficient information by way of comparison between the increases in the different public services and the department. I believe the increase in the postal rate is quite moderate. Let us admit that this is a reasonable increase.

Let us face the facts. Since we are all agreed that these expenditures must be met, there are only two ways of doing it. One way is to let the users of the service pay for it. Those who are against the resolution say that the general public should bear the burden of the increased expenditures, even although some of them do not want the service. I believe that if each member in this house faces the facts and realizes the necessity for the increased expenditure, he should vote in support of the resolution.

Mr. Drew: The minister has dealt rather generally with the situation, Mr. Chairman, and to his own satisfaction has partly disposed of the example given by the hon. member for Eglinton concerning certain delays. I doubt, however, if there is any hon. member in this house who is not well aware of the delays that have occurred. Many have been ready to recognize the difficulties with which the post office department is confronted, but to suggest that there have not been extensive delays wholly unrelated to misaddressing, or lack of address, is simply to deny the facts that are in the minds of almost all hon. members here.

There have been comments, and not unfriendly comments, about the change in the postal service in this country. For instance, there was the statement made in more than one city that mail posted in Britain was being delivered here more quickly than mail posted and delivered in the same city. Having said that I think that every hon. member here knows from his own experience or her own experience that we have no more loyal, trustworthy and devoted civil servants in Canada than those who are delivering and handling the mail in this country. There is probably no public servant who is so closely in touch with the daily life of every one of us as the postman who delivers the mail at our door. He is practically a friend of the family. He is very much a part of the life of each family.

I am satisfied that there is nothing but praise and commendation for the way in which those who are carrying out the daily routine of the mail service have been performing their functions. The criticism which has been directed to the situation which exists is a criticism directed to the administration of the department. It is a criticism such as was made by the business firm which

inquired into the activities of that department less than a year ago. It is a criticism of the kind that was placed, as a matter of record, by the firm of J. D. Woods and Gordon, and referred to in this house, although not in detail. It is criticism of the failure of the department to implement recommendations that could have been carried into effect.

The minister is quite correct when he says that it is so easy to suggest that increases of any kind should not be made, because no one of us likes paying more than we paid before for any other service. This, however, is something a little different from those ordinary increases which take place in regard to the daily necessities of our life. The minister has said, and it is no way an unfair suggestion, that we should look at the comparison between the increase in postage rates and the increase in the costs of other public services of a similar nature. At first glance that seems a cogent argument. There is another argument, however. The rise in cost of service has been general throughout the world. We must not only look at the increase in rates in relation to the increase in the cost of other services. It would be advisable for us to look at our rates in comparison with rates for similar services in other countries where there are similar social and economic conditions.

With that thought in mind, naturally we first direct our attention to the United States. We find that at a time when we are asked to approve an increase to five cents for the first ounce, in the United States, where in the ordinary course of events the cost of service is certainly not less than in Canada, they pay two cents for first-class mail placed in post offices where there is not a pick-up postal service, and three cents for the first ounce where there is the ordinary pick-up service.

In Britain they start with a higher weight. In Britain the unit of weight is the first two ounces. There they charge just over three cents, which is the present value of the two-pence-halfpenny postage. If we examine the rate that is charged for that service in countries of similar economic and social structure, I think we shall find that we have the highest rate in the world for that ordinary service to the homes of our people where family messages and the other communications are carried in this way.

The attitude on this occasion is simply one of showing where the department estimates that new costs are going to be incurred but there is no suggestion of what the department could do or has done to bring about some of those economies that might be effected. Already the minister has expressed his approval when one hon. member last night referred to a great postmaster general, and I might say he is regarded as a great postmaster general by all Canadians, namely the late Sir William Mulock. Sir William Mulock became famous not only in Canada but throughout the world because of the reduction of postage rates to what was then known as the penny postage, the two-cent stamp. He was reversing a trend that had gone on for some time. He was carrying forward a trend that had developed from 1851. To show the changes that had taken place, in 1851 the lowest charge for a letter was 18 cents, and then we came to the point in 1898 when living expenses were certainly far higher, and when any comparison of the cost of ordinary services would suggest on the present basis an increase. Nevertheless we find that there was actually a decrease at that time. No matter what some people may have thought at the time, I believe that because of the general acceptance, over the years, of the soundness of the position taken by Sir William Mulock at that time, it might be well to refer not only to the words which have been quoted but to certain other views that he expressed.

At column 5525 of *Hansard* of 1898 I find these words:

> I venture to say that these statistics establish beyond all question that the reduction in the letter rate promotes an increase in the number of letters, in the volume of business and in the revenue, and at any rate it is essential to the interests of the country that there should be the cheapest possible mail communication.

May I say that this statement has found general acceptance throughout the years:

> —that there should be the cheapest possible mail communication.

The minister is quite correct when he says that there was some questioning at that time about the wisdom of this course. From *Hansard* I read the following:

> Mr. Sproule: May I ask the hon. gentleman, does he mean that it will be self-sustaining, without charging any postage on newspapers?

Well, of course, that is another story for another time. I continue:

> The Postmaster General: Yes, I do; I mean to say that by the first day of January next, this department will be self-sustaining, without any revenue derived from the postage on newspapers, but it has to be borne in mind—
>
> Sir Adolphe Caron: How are you going to make it up?
>
> The Postmaster General: By economy and by the improved revenues of the department.

I suggest that the answer of Sir William Mulock on that occasion, in a speech that has been taken, over the years, almost as a textbook on the general desirability of encouraging the use of mails by the lowest possible

postage rate, stands up. When he was asked how he was going to do it he said:

By economy and by the improved revenues of the department.

The fact that we shall have a five-cent stamp to perform the same service as a three-cent stamp will perform in the United States, just across that long border, is something that is not to be completely disregarded. After all, there are large business enterprises at many points along that border in cities from the Atlantic to the Pacific, some of them larger than others, some of them enormous businesses, sending out many thousands of pieces of mail every day. There would be nothing illegal in anybody getting in an automobile and driving across the boundary and posting these several thousand pieces of mail for three cents apiece and sending them into Canada at the reduced rate, below what they would pay if they posted the mail in Canada in the first place for delivery within our own country. I do not say that that is an impossibility. It would be a perfectly reasonable thing to do when in many cases they are just as close to a post office in the United States as they would be to a post office in a Canadian city.

Naturally Canadians want to support their own services and naturally there would be criticism if Canadians went outside the country to do that. However, we found in the case of cigarettes and a number of other things that people do look at the dollars and even at the cents. We are talking about cents in this case but those cents can accumulate to a great amount. No better evidence of the fact that many a mickle makes a muckle is to be found than in the amount of revenue the Postmaster General expects to obtain by this increase of one cent. Surely that is a fine example to our children of the law of economics and how much a cent may mean if there are enough of them put together.

Then there is another point. I think it is appropriate to mention this at this time. Hon. members of this house must have noticed that during the past week two important Canadian banks held their annual meeting. The Banque Canadienne Union Nationale—

An hon. Member: That is not a bank.

Mr. Drew: No, that is not a bank. The Banque Canadienne Nationale and the Royal Bank held their annual meetings last week. In each case the president of the bank emphasized that we must no longer be complacent about our high-priced economy. It was pointed out without in any way being alarmists, without in any way suggesting that this country of ours with its unique opportunities is not likely to see greater and more prosperous days ahead, that it would be wise for us Canadians to remember that we live in a competitive world where price along with quality is going to determine whether the things that we produce are going to be sold.

This is not the first time that I have raised this point in the house, nor is it the first time that it has been raised by other members of the Conservative party. We have sought to emphasize that in a period of increasing world competition taxes of all kinds and burdens of every nature which increase the ultimate cost of the thing we sell must be examined, not only from the point of view of the burden on the individual but from the point of view of the effect it will have upon a nation which is today more dependent than any other nation in the world upon the maintenance of its export business for the continuance of its prosperity.

I suggest that this is not the time to be increasing the tax burden, and this is a tax for a service. This is not a time to be increasing this burden when we should be looking for every opportunity to save even one cent. We must recognize that this becomes a part of the general cost of doing business and selling the things that we produce.

There is another feature that arises in the cost of postage. Unless the newspapers of Canada from one side of the country to the other have been quite wrong in their comments about delays in deliveries, there has been an increasing number of delays in the delivery of our mail. Even if it is a question only of three days instead of one, that is important. One clear demonstration of the efficiency of organized society is the speed with which people can communicate with each other within that society.

In other countries they have been increasing the speed of delivery. In other countries, even where the costs are high, there are several deliveries a day. In some of the larger cities in other countries a letter posted one day is delivered the same day. We should be striving to improve the effective delivery and more frequent delivery of our mail, instead of having a less frequent delivery with unexplainable delays of one, two and three days in the delivery of business mail.

All this tends to persuade people to use other services such as the telegraph and the telephone. Who knows but that may be one of the reasons why so many millions of dollars have been added to the cost of telegrams sent by this government. It may be due to the fact that the government departments know that their own Post Office Department is so slow that if they want to get

a quick answer they had better use the telegraph or the telephone. We have been curious as to the tremendous increase in the cost of telegrams and telephone calls and perhaps that is the explanation. It would be interesting if we could get that answer. Certainly a higher cost of postal service will encourage people to use these other services.

We pride ourselves on the efficiency of our telegraph and telephone services. I think we can say with satisfaction that they are not surpassed in any country of the world, even when we consider the long distances of this country. The Post Office Department should be doing everything they can to provide a cheap service by mail which offers a means of communication to the masses of our people. The rate should be such as to encourage them to use it more and more.

The attitude of the government in regard to these costs is demonstrated by the fact that emphasis has been placed upon a supposed loss of $7,500,000 because of the elimination of the stamp tax. Are we to believe from that statement that the Post Office Department can sell $7,500,000 worth of stamps without additional cost? Does it cost nothing to produce stamps? Whether they are right or wrong, some newspapers in this country have suggested that some stamps look as though they had been produced without much cost.

Mr. Diefenbaker: Produced by themselves.

Mr. Drew: The fact remains that there is a specific cost element in the production and handling of stamps. Surely we are not going to be told that there was no difference in the cost of the operation in the handling of the $7,500,000 worth of stamps? Surely that would be a condemnation of administration which the department would hardly like to place before us. No, it is not $7,500,000 we are dealing with; it is the net result of the elimination of that.

But there is something more. The measure now before us is the pay-off on the political bait that was offered last spring. The government knew perfectly well when it removed the stamp tax that this result was going to follow. It pointed out how convenient it was going to be not to have to put stamps on cheques; but it is only now that we are being told that the taxpayers of Canada have got to pay for it in another way. Instead of paying it on the cheques, so many of which are issued by the larger corporations in this country, this is going to be paid by way of the postage stamps which are so much a part of the service rendered to the masses of the people in every part of Canada.

Mr. Hodgson: They will take the cent off at the next election.

Mr. Drew: When today the minister tells us that some of these expenses could not be anticipated, may I remind him that the general policy of a five-day 40-hour week was being instituted some considerable time ago, and that this must surely have been in the minds of officials of the department at that time.

No, Mr. Chairman; this is another case where the pleasant thing was done before the election. And now, with all the smiling blandness of the explanation given by the minister here today and yesterday, we are asked to approve the adding of this burden to the postal service of Canada.

I was interested in the statement made yesterday by one hon. member when he said that if big businessmen were paying it this government would not be making the change. I do not quite understand that statement; but let us remember that, very largely, it was the big businessmen who paid the stamp tax, in so far as those big businessmen may be regarded as paying what the corporations pay. But we know perfectly well that the costs of those things are added to the cost of doing business in this country anyway; and they are deductible for income tax purposes. This was known very well by the minister who is sponsoring the bill as well as by the minister who announced this increase in the price of postage stamps.

A good deal has been said about the cost of post offices across the country. The suggestion seems to be that we should not worry about an increase of this kind when we think about all that is being spent on post offices. Let me point out that post offices do not serve only in the handling of letters on which this postage will be paid. Those post offices handle registrations and special delivery services. Then, in addition to that, in most places the post office building houses the customs offices. In other places we find in the post office buildings the offices of the government annuities service as well as services rendered by the Department of Labour.

In short, post office buildings across this country are for the general service of the community. Certainly nothing I am saying suggests that we should be reckless in the handling of our postal service, or in any other services, or that we should disregard the costs. But having regard to the fact that our neighbours in the United States, who live lives very similar to ours and who are faced with costs very much like those we face, are called upon to pay only two or

three cents for first-class postal service of this kind, I suggest it is very unsound, in this very competitive world, to ask our people to pay five cents for a similar service.

I repeat that we are not just dealing with one cent, or even with a five-cent piece which, on occasion, has been embarrassing to governments before. We are dealing with the total amount of this increase in a service that is closely associated with the daily lives of our people, perhaps more closely than any other service they receive from the government each day.

I suggest therefore that much more than a casual explanation of expected added costs should be given to us by the Postmaster General, who heads a department which has accumulated such enormous surpluses in years gone by. I know that reference has been made to them; but, having regard to the explanation offered today, may I remind the minister how easy it would have been to wait and see just exactly what the net result of changes being made would be, and whether certain things could not be done to expand the services offered by the Post Office Department through the introduction of new devices, such as have been introduced in the past to encourage the use of the postal service.

We know that over a period of 10 years the surpluses of this department amounted to $70,193,330.54, and that for the preceding 10 years the surpluses were $22,969,606.69, making a total of more than $93 million surplus in the last 20 years in the operations of this department, and at the lower stamp rates which have been in effect during that length of time.

Mr. Cardiff: What did they do with the money?

Mr. Drew: It has gone into accumulated revenues; and the people paying for this service have been asked to contribute in that way to the maintenance of other government departments where this principle did not apply.

Nevertheless those who are paying for a service of this kind surely have the right to say that it would be better, before we are asked to approve a five-cent or any other rate, to see exactly what the result of changes will be. And also we might hope that there might even be some attempt at improving the efficiency of the service and introducing new devices to encourage its use.

If we were told that never in the past had there been a deficit in the Post Office Department within that period when those huge surpluses accumulated, then perhaps we might understand the minister's sensitivity on this point. But the fact of the matter is that there were deficits. Within that 20 year period when $93 million accumulated in surpluses, there was a deficit in 1939 of $167,961.80 and in 1951 of $1,326,788.51. But these deficits were absorbed in the general activities of the department. The surpluses to which I have referred accumulated, in spite of the deficits in the two years to which I have referred.

There is one other matter that certainly should be examined before we are asked to approve this recommendation. I submit this is the time for us to leave no doubt that we do not approve of the principle placed before us, because in a democracy it is always hoped that even a government that is the least responsive to the will of parliament will sometimes feel that arguments offered have had weight sufficient to persuade them to change their course.

I suggest that the present Postmaster General would be taking a step in the right direction and one which would win him a substantial measure of commendation if he announced that, in view of the arguments which have been presented, he proposed to let this motion stand. That course would be consistent with our democratic system, because no argument has been presented which justifies this increase now proposed to us. I therefore most earnestly submit to the Postmaster General that he should not close his ears to the arguments that are being made or close his thoughts to the possibility that he might go down in history as a great Postmaster General if he would assert his belief that economy is a sound course and that we should stand where we are until he has tested the changes that he has made.

Mr. Cote: I just want to say one word since the Leader of the Opposition raised the matter of making comparisons with the United States. The letter rate is three cents, but the Postmaster General in the United States has made representations for an increase. Rates have been increased on newspapers and parcel post. One most important fact he forgot to tell us is that in the United States there was a deficit last year of $770 million. If the Leader of the Opposition wants our economy to be exactly like the one of the United States, I hope at least he does not wish that we have a deficit similar to that in the United States.

Mr. Drew: I think the minister is aware of the fact that the increase that he is referring to is not an increase in the first-class postal rate.

Mr. Cote: The letter rate is three cents; an increase to four cents is proposed.

Mr. Drew: A newspaper rate increase.

Mr. Cote: No; letter rate.

Mr. Drew: It has not been put into effect.

Mr. Cote: They are actually studying it now and representations to that effect have been made by the Postmaster General himself.

Mr. Drew: I have no doubt that the Postmaster General has read the reports of the strong objections that have already been raised by members of congress to any such suggestion.

Mr. Cote: I do not want to enter into a discussion of the matter. I would be out of order if I did so. But let me remind the Leader of the Opposition that there is an eloquent piece of evidence here in the annual deficit of more than $700 million. When it is recalled that the population of the United States is at least ten times greater than our own, he will understand why, according to our economy with our smaller population, the five-cent rate is reasonable.

Mr. Knowles: Mr. Chairman, yesterday I stated my very strong opposition to this increase in postal rates. I therefore do not need to repeat my arguments today. I then made it clear—and I still feel that I was right—that this is just a case of putting back on a tax which was taken off just before the election.

Mr. Hodgson: And it will be taken off before the next election too.

Mr. Knowles: Yes, no doubt. But next time a tax is taken off just before an election, we will ask the Minister of Finance under what name he proposes to reimpose that tax after the election if the government should be elected again. However, I have another purpose in rising at this moment. Naturally most of the stories that are told from this side of the chamber are stories that show up the weaknesses of the government or inadequacies in government services. But once in a while we have an example on the other side. I have had this one in my files for some time. I did not know whether I would ever have the nerve to tell about it in the House of Commons, but the discussion today about the difficulty that the post office people had in locating the hon. member for Eglinton in the city of Toronto reminded me of this piece of evidence which I now have in my hand. I therefore went up to my office and got it.

It so happens that, as is the case with many other hon. members, a great deal of mail comes to my home in Winnipeg when I am down here and which my family has to re-address and forward to me here. To save them trouble I had made some time ago a rubber stamp which reads, "House of Commons, Ottawa, Ontario". All that the members of my family need to do is to stroke out my home address and rubber stamp the new address. Some of the members of my family have formed the habit of using that rubber stamp even when they write me personal letters. They simply write my name on the envelope and then use the rubber stamp "House of Commons, Ottawa, Ontario". But on March 14, 1950, one of the members of my family wrote me a letter and, as was usual, wrote on the envelope in ink "Mr. Stanley Knowles". But that member of my family forgot to apply the address by means of the rubber stamp. Nothing else was put on the front of the envelope, not even "M.P.", not even "O.H.M.S.", not even "Ottawa", or not even "Canada"; just "Mr. Stanley Knowles". It was postmarked at Winnipeg at 11.30 p.m. March 14, 1950.

Mr. Diefenbaker: It has the House of Commons stamp on the back of it.

An hon. Member: There is only one Stanley Knowles.

Mr. Knowles: I received it here in Ottawa the next day. It is postmarked on the back as received at the House of Commons March 15, 1950.

Mr. Martin: My hon. friend points out that "House of Commons" is stamped on the back.

Mr. Knowles: No, that is just the House of Commons crest on the flap.

Mrs. Fairclough: It is still pretty good.

Mr. Knowles: As the hon. member for Hamilton West says, it is still pretty good for the post office employees in Winnipeg not to have to spend two or three weeks but rather to put the letter in the proper bag and to see to it that it reached me within 18 hours after the letter was written. So there are times when the service provided by the post office is pretty good.

Mr. Hodgson: They all vote for the hon. member so they know him.

Mr. Knowles: I was not asking for that sort of comment but I have no objection to it, Mr. Chairman. As I say, when we have examples like this one, there is no reason why we should not give the commendation that is deserved. But that still does not justify putting on, after an election, a tax that was taken off just before it.

Mr. Hees: When the Postmaster General was replying to a statement made by the hon. member for Eglinton last night pointing out certain delays in the delivery of mail, I think the Postmaster General implied that, provided the mail was properly addressed, there would be no delay in delivery. This

morning I received a letter from one of my constituents, and I took the trouble to telephone him long distance to find out whether these letters to which he referred had been properly addressed, and he assured me that they had been. I should therefore like to read exactly what he says. The letter is from Mr. Willis L. Blair of 2 Kimbourne Avenue, Toronto. He says:

Dear Mr. Hees:

I wish to pass on to you two instances of serious delays in the mail service in the city of Toronto.

In the one case, I mailed a letter with 3 cents postage affixed in proper place, on the 17th of December, 1953. This letter did not arrive at its destination until December 23, 1953.

That is six days later. The letter continues:

In the other case the letter was mailed on January 1, 1954 (in plenty of time for the 5 o'clock pick-up)—

That being a holiday.

—with a 3 cent stamp on it, and it did not arrive at its destination until January 6, 1954.

Mr. Cote: Will my hon. friend let me have the envelopes so that I may have inquiries made?

Mr. Hees: I will get the envelopes for the Postmaster General and I shall be glad to do that. My constituent goes on to say:

I can appreciate the fact that the post office facilities are taxed to the limit at the Christmas season, but I can see no justifiable reason for first-class mail to take five and six days to reach its destination right here in the city. It may be a coincidence but both pieces of mail mentioned above were delivered from postal station "J" on Danforth Ave.

Second class mail has been taking anywhere up to seven and eight days for delivery. This situation is certainly deplorable but it is about the delivery of first class mail I wish to complain.

I would appreciate it, if at some appropriate time, you would take this matter up with the Post Office Department. How is this department going to justify an increase in postage rates of 25 per cent to 33⅓ per cent, when their present service is not worth the current rate we are paying?

Yours truly,

Willis L. Blair.

I hope that the Postmaster General will have these cases investigated. I am giving him all the information I can because I think that first-class mail delivery is, as Mr. Blair says, deplorable.

I want to speak for a moment about the reduction in the air mail rate. The Postmaster General has told us that the air mail rate will be reduced from seven cents to five cents.

The Deputy Chairman: Order. I hesitate very much to interrupt the hon. member in his remarks, but I do not believe that the reduction of air mail rates comes within the purview of the resolution before us, which is entirely one to increase certain postal rates. I would ask the hon. member to bear that in mind.

Mr. Hees: With all deference to you, Mr. Chairman, it seems to me that this is an important part of this whole discussion because the reason given for the increase in rates is loss of revenue. I want to point out here why I believe that the loss of revenue which will take place because of the decrease in the air mail rate from seven cents to five cents is unjustified. I believe that, quite the reverse of regular mail, air mail is something for which a person can pay an extra fee if it is so important for him or her to have such mail delivered in a hurry. If I have to have a letter delivered somewhere in Canada faster than ordinary mail delivery will take it there, then I am perfectly willing to pay two or three cents extra to have that service. I am sure every Canadian feels exactly the same way about it. This is not regular postal delivery. This is, if you want to look at it in this way, a luxury service for which people should be willing to pay if they receive the service.

Mr. Cote: Will the hon. member permit a question? Does he suggest that we should abolish air transportation for mail?

Mr. Hees: I am going to make two suggestions to enable the Postmaster General to keep his service on a pay-as-you-go basis without increasing the general postal rate. The first is to leave the air mail rate at seven cents. According to simple arithmetic, a reduction of two cents on 32 million pieces of mail amounts to $640,000 a year, and leaving the air mail rate at seven cents would mean a saving of that amount. Then I come to my second suggestion. In his budget last year, the Minister of Finance cancelled the stamp tax on cheques. That matter has already been discussed by several members. The Minister of Finance estimated that it would cost the government $12 million to effect the cancellation of the stamp tax on cheques. That tax was borne largely by business, and very little by the ordinary people of the country.

The ordinary workingman receives his pay cheque, takes it to the bank and cashes it. When such cheque had a stamp affixed to it, the stamp was put there by the firm employing him. He cashes the cheque, takes the money home, gives most of it to his wife, keeps some for himself, and carries on for the next week or two. If the ordinary person has a bank account, it is usually a savings account and he issues relatively few cheques. To me the cancelling of the stamp tax on

cheques was simply a pre-election inducement, shall we call it, to business. I do not know any ordinary citizens who were very elated about its cancellation, or felt that they benefited very much from it. It is something which everybody certainly accepts, but if it is a question of a choice between requiring people to affix a stamp on a cheque, and raising the general postal rate one cent right across the board, then to me there is no comparison.

The arithmetic of this whole thing adds up in this way. Last year the Post Office Department showed an operating surplus of $6 million. If the stamp tax on cheques had not been cancelled, that $6 million surplus, together with the $12 million which the Minister of Finance estimated it would cost the government to eliminate the stamp tax on cheques, would add up to $18 million. The Postmaster General estimates that his new expenses are going to run around $14 million. Therefore, according to my arithmetic, the Postmaster General and the government, if they would follow the suggestion I am making, would be able to show a surplus of $4 million, and it would not be necessary to tamper in any way with the general postal rates which affect the ordinary people of this country; the people whom we must protect. They are the people who are going to be hurt very materially by this general increase in postal rates. If the Postmaster General and the government feel that the Post Office Department must pay its own way, this is a suggestion how to do it. It is a suggestion which I feel will meet with the general approval of people throughout the country, and for that reason I recommend it most seriously to the Postmaster General for his consideration.

Mr. Bell: Mr. Chairman, I should like to take part in this discussion for a moment not so much as a politician or parliamentarian but as a philatelist, a stamp collector. I have one or two observations leading up to one point I have to offer. I am a member of the Saint John stamp club and, I think, still a member of the Canadian philatelic society. Stamp collectors generally have a pretty good idea of the whole picture so far as the stamp business is concerned.

First of all I should like to make an observation about our Canadian stamps. Back in the 1920's we turned out some very lovely, finely engraved and beautiful stamps which received attention all over the world. I refer particularly to the 50-cent Bluenose stamp which I think won an international prize at that time. But since the twenties our stamps have deteriorated greatly in their engraving, and while Canadian stamps are generally very highly regarded by collectors in the sense that they are scarce and in demand on the market I do think we should note that our stamps have fallen off slightly in their beauty. When this increase goes through and new stamps are needed I think it might be noted that perhaps we could concentrate a little bit more on the standards that we followed formerly.

Another point, and one that is perhaps more important here, concerns the relative value of ordinary postage in other countries of the world. As a collector thumbs through his stamps he naturally notices the value of the stamps of these other countries that are found in the largest quantity, and I should like to take a minute now to compare the rates or values of stamps in the countries of Europe and elsewhere in the world. It was not possible for me to get any exact figures on the relative rates in other countries. I checked with the Post Office Department, but they did not have any information. I quite appreciate that a request for such information would be unusual, and also difficult to fill. The rates would have to be translated into our own currency, and in addition to that some of the countries are on the metric system of weights.

Nevertheless, from a quick observation, from talking with people who have travelled and from my own travels, I have gathered some figures which I should like to throw into this discussion. I believe that in Poland it costs six cents to send a postcard. Czechoslovakia and Bulgaria are both a cent less than that figure. The other figures decrease generally until you reach countries with a better culture and a better standard of living. I happen to know that in Portugal, Egypt and India the rates for both postcards and ordinary mail are very high.

Turning to Great Britain and the United States, the two countries which are perhaps most comparable with our own today in terms of general enlightenment and culture, I believe that the postal rate in England is one and a half pence. I am still sure that the postal rate in the United States is three cents, although the Postmaster General hinted there might be an increase. I know that in his state of the union address, President Eisenhower recommended moving the rate to four cents, but no action has been taken in congress. We have rates, therefore, in both England and the United States of about three cents.

Now, the conclusions I shall draw from these one or two observations, as a stamp collector, are alarming. When other people who are familiar with the situation see that

countries with depressed conditions, that do not have the fine standard of living we have, charge high rates for this necessary service and the other countries with better living conditions have a lower postal rate, and this proposed increase in Canada will be going in the direction of the depressed countries, then people will be forced to conclude that Canada is stepping down to the levels of those countries. I know that my stamp collecting friends will agree with that.

Mr. Dinsdale: I should like to comment briefly on this proposed increase in the postal rate, mainly because yesterday the hon. member for Charlotte made an observation to the effect that people in the various parts of Canada were not too interested in the effects of the proposal. I have received several communications on the subject, and as the information arising from this discussion is scattered across the country through the medium of the press, I am sure I shall receive further communications. I believe that is to be expected because, as was pointed out by various speakers, the people of Canada, like the people of all democratic countries, have come to regard the provision of a reasonably inexpensive postal service as a part of their democratic heritage.

It seems that it is an unwritten principle that they identify the provision of cheap postal service with the provision of highways, bridges and other means of communication. The proposed increase, therefore, even though it seems to be infinitesimally small, as it is in this case, will draw considerable protest from the people of Canada.

I should like to make one brief suggestion to the Postmaster General on this matter. During the debate several members have made statements praising the efficiency of the employees in the Post Office Department. I am rather inclined to conclude that, as a result of the improvement in working conditions recently made, the introduction of the five-day, forty-hour week and the increase in wages, you are going to see a further increase in efficiency. It might be that the increased volume of work handled by the employees would tend to offset the increased expenditures that have resulted from these improvements. I say this because from a very narrow knowledge of the subject—I have knowledge only of the conditions in our local post office in Brandon—I would be inclined to think that if efficiency is the same in every post office as it is in Brandon we might increase revenue to such an extent by the improvement in productivity that it would more than offset the expected $12 million deficit.

For example, some statistics I have in front of me relating to the Brandon post office show that in 1925, with an annual revenue of $110,600, there were 44 employees. In 1952 with a revenue of $217,120, there were 41 employees, a decrease of three employees and almost a doubling of the revenues. In terms of the employee situation, before the change-over to one delivery per day there were 15 walks in the city of Brandon. As a result of the decreased frequency of service the number of walks was decreased to 12 and eventually cut to 11. Since the improvement in the salary situation, and notwithstanding the rapid expansion of the city of Brandon since the war, the number of walks stands at eleven and a half.

I was rather curious about the half a walk, so I inquired about it. I understand that as a result of appeals from the local office it was decided to put on a carrier for four hours a day, and this constitutes half a walk. It seems to me here is efficiency par excellence. In our local post office unit with revenues going up and work increasing—no doubt the figures for 1953 will be considerably above those I quoted for 1952—there has been a decrease in the personnel employed. I see no reason why, if such efficiency is possible right across Canada, sufficient savings might not be made to meet the expected deficit.

In any case the proposal is of such a controversial nature that it would be wise to postpone a decision for two or three years to ascertain the effect of the new situation in the Post Office Department. If, as the member for Charlotte concluded yesterday, there is no undue anxiety in the minds of the people of Canada concerning this one-cent postal increase, it would not do any harm to the government if it waited even until a pre-election year before introducing this measure.

Mr. McCullough (Moose Mountain): I rise to support hon. members who have spoken against the introduction of this resolution at this time. Some members of this group rose yesterday and asked for a vote on the matter. It is a pleasure to listen to the explanations of the genial and courteous Postmaster General. He has always been nonchalant in his answers, and courteous throughout the whole debate. I think he is taking the matter more seriously now than when he first introduced the resolution. The preponderance of evidence which hon. members have brought forward in this debate indicates that at this time the people of Canada do not like this increase in the postal rate in any way, shape or form, and are not in agreement with it.

In his explanation this afternoon the minister told us there are only two methods by which we can meet the situation which faces the post office at the present time. He said that owing to the introduction of the five-day

and forty-hour week there have been increases in costs. I want to suggest to him that the two methods which he indicated, namely an increase in the cost of postal service or subsidization of the Post Office Department, are not the only ways by which improvements can be brought about. Economies in the operation of the post office could be effected. If his department would seriously undertake economies I am sure that improvements could be brought about.

I suggest to the minister that the United States post office department has just done that very thing in one operation. They investigated different methods by which they could inaugurate economies, and they found that by using nylon mail bags instead of the heavier canvas bags they could save the post office department $800,000. That change is to be instituted in the near future. I know very well that the United States post office department handles a great deal more mail than we do in Canada, but I want to promote the idea of that change here in Canada, and I am sure we could make a proportionate saving in this country.

It surprises me that 125 days after the August 10 election we should have this government introducing a resolution such as this. Prior to the election they brought in a so-called election budget, which was given a great deal of publicity in Canada. I know that in my own province the Liberal candidates referred to it quite often. Frequent reference was made to the discontinuance of the 3-cent tax on cheques.

It seems to me this government has some sort of tax malady. In my school days we used to hear of trigger-happy people who would go out and shoot up everybody. Now we have a government that is tax-happy. Before the election they became affected in some way, and they found ways and means of reducing the revenue of the government by eliminating the tax on cheques, and taking off a tax here and there. The Liberal candidates in the west went around the provinces indicating that the government was going to slash taxes, and suggested that if they were returned to power that sort of thing would continue. What do we find? Immediately after the government returns to Ottawa they ask hon. members to impose a tax on the mails of this country.

Let us look at this question. Yesterday the hon. member for Charlotte said he felt the people were willing to pay this extra amount. He said it would be big business who would pay the bulk of the increase. Today we are living in a complex society. It is quite different from 30 or 40 years ago. Today many of our young people are in the armed forces and are away from home. This is going to be an important restriction on the people in the low-income brackets. The people we are concerned about are not the people in big business. They can take care of themselves. If we have a 7-cent air mail stamp they are able to put the 7-cent stamp on their mail and have it go by air. I am concerned with the people in the low-income brackets.

We have a government across the way who by their decontrol policy and tax policy are leaving with the people in the small income brackets only a small amount of money to take care of their needs. They have to budget very carefully. If we accept the truth of the statement that today our dollar is worth perhaps 50 cents, then it becomes obvious that every cent we take from the purchasing power of the people in low-income brackets will have an important effect on the livelihood of these people.

I feel quite confident, and I say it to the minister, that the young people in the armed services want to continue to correspond with their people at home. They want to continue writing to their people, and they are not worrying too much about fast mail service. If the minister cannot assure the committee that first-class mail will go by aeroplane, then I am sure these people would rather have the lower rate than the higher rate suggested.

I do not want to prolong this debate, but in view of what has happened the Postmaster General might tell the committee now, since he is bringing in this measure 125 days after the election, whether when election time rolls around three years from now we shall again have the 4-cent postage.

Mr. Thatcher: May I direct one question to the minister, and I do this for clarification purposes. Perhaps the minister has given the information, but can he tell the committee exactly what deficit or surplus he estimates the post office will have next year if this resolution passes?

Mr. Cote: If we could be assured of no other increases in either material costs or wage rates and so on, we should have a surplus of half a million dollars. We should have a surplus of half a million dollars, but according to the experience of the past this half a million dollars may not be enough to cover the increase in cost of basic materials or other services necessary to the operation of postal services. Therefore it might be a few hundred thousand dollars, or it might be less than a hundred thousand dollars. In other words we might have a little surplus or a little deficit.

Mr. Diefenbaker: There are one or two questions I should like to ask the minister. I am not going to repeat the arguments that have been advanced in the last two days in opposition to this resolution. I rise merely to ask one or two questions because after all this gives the minister an opportunity to answer questions that may be relevant to the resolution. Indeed I think the minister deserves credit for being almost the only one of the ministers who in introducing a resolution is not surrounded by officials. He has actually answered the questions by himself and of his own knowledge.

Having said that, may I ask whether or not consideration has been given to the fact that in increasing the rate from 4 to 5 cents, there will be a decrease in the amount of revenue. As the Leader of the Opposition said, that was the experience when a heavy tax was placed on cigarettes. At that time we pointed out the great danger that the law of diminishing return would apply and that ultimately the government would find itself in the position where it would have to retreat from the taxation it had imposed. No doubt the minister and his officials have given consideration to this matter, and I should like to know the degree by which it is thought this increase of 25 per cent in postal rates on ordinary mail will reduce the total revenue.

The minister referred to a commission or committee which over a period had investigated the Post Office Department with a view to improving its efficiency, or at least its effectiveness. Certainly my experience with the department has been such that I can make no criticism, but naturally when an experienced group of chartered accountants make what the minister has referred to as a full and complete examination there is no doubt that in their report generalized considerations and decisions would be arrived at.

Would the minister place before the committee a summary of the recommendations of that commission and also of what changes, if any, have been put into effect in order to implement their report? As I remember, the minister stated yesterday that various recommendations had already been implemented. Would the minister take the committee into his confidence and summarize in a general way the criticisms that were made and also in general outline the improvements that have been brought into being in an effort to remove such shortcomings as were found by the commission?

Mr. Cote: In answering the first question, may I say that I cannot state exactly to what degree this increase will decrease postal revenue. If I correctly recall the information I have received, it will not affect in a big way the estimate we have given to the house.

Mr. Diefenbaker: What has been the experience in the past when an increase has taken place?

Mr. Cote: I could not say. I shall get this information and give it to the house on second reading. As far as the other question asked by my hon. friend is concerned, may I say that I invited the hon. member for Notre Dame de Grace to look over the Woods-Gordon report. As I remember, that report was made a month or two after I took over the department. It was a managerial report for the use of the department alone. It would not be fair if I gave one hon. member a copy and not another. I extended that invitation last evening to the hon. member for Notre Dame de Grace, and he was in my office this morning and again this afternoon.

We asked these experts to go all over the department to find out where, when and how it could be improved. That was why we had experts come in to show us if it could be improved. Necessarily this department must follow the expansion of the country. If there is one department which must closely follow the expansion of this country it is the Post Office Department, because of its work in establishing communications between members of the whole Canadian family which necessitates our going everywhere in Canada.

That was one of the factors which inspired the department to ask for this managerial report. The report is in my hands and I have no objection to showing it to any hon. member. We have started to implement the recommendations of the report. For instance, there was some criticism of the location of a sorting table and the suggestion that it be moved from one place to another to permit a speed-up in the mail and bring about greater economy in that particular place.

I shall be only too glad to ask my officials to give me an up-to-date report. I would not like to impose upon hon. members by making another long speech, but if it is the unanimous desire of hon. members I shall be only too glad to bring in a summary of the implementations already made in following out the recommendations of the Woods-Gordon report, and also some information as to any possible decrease in the volume of business because of the increase in rates.

Mr. Diefenbaker: Did that commission suggest that many of the difficulties would be solved by increasing the rate from 4 to 5 cents?

Mr. Cote: I am not in a position to answer that question. I have not read the report lately, but I shall be glad to look into that matter.

Mr. Patterson: Mr. Chairman, in view of the fact that so many hon. members have spoken on this resolution I feel I would be remiss if I did not make at least one or two observations.

In rising to speak on this resolution with regard to increased postal rates I want first of all to commend the Postmaster General and the employees of the Post Office Department for the services they have rendered. I am sure that we all recognize that in carrying out their responsibilities they are faced with considerable difficulties. We appreciate what they are endeavouring to do in spite of those obstacles, and I do want to express my appreciation.

We feel that they are endeavouring to finance the operations of the department from the revenue received and in one sense that is commendable. However I feel, like other hon. members who have spoken, that the proposed increase should not be put into effect until it has been proved conclusively that the increased revenue is required, until such time as it has been proved conclusively that there is no other adequate solution to the problem. Therefore I oppose the putting into effect of this resolution.

Many suggestions have been made which I trust will receive the careful consideration of the Postmaster General and the department. One hon. member has stated that in the final analysis it is the corporation, the big business house, that will carry the load in this new tax; but I wonder if that is actually true. It seems to me that corporations and big business would see to it that they recovered that additional cost through higher prices.

Then I should like to interject another thought at this point. This has to do with the use of air mail by corporations. I am thinking of one such corporation that has been called to my attention as using air mail almost exclusively. They put 7-cent stamps on their letters, and in this way make use of the air mail service. I realize that that is only one isolated company; but if there is one, then it follows that there may be dozens or hundreds more.

The suggestion would appear to be that the air mail rate will be reduced, so there will be a straight 5-cent rate. Therefore the big business concerns, these corporations to which I have referred, will receive the benefit. Instead of carrying on as they are doing, the revenue will be further reduced because the postal rates on their mail will be reduced as I have indicated. I have referred to only one case; but if there is one it is possible there may be others as well.

One or two hon. members have called attention to the fact that in past years the postal department has piled up great surpluses. In fact our attention has been drawn to figures which indicate that in a period of 19 years over $90 million in surpluses has been piled up.

The estimate submitted by the Postmaster General is sufficient not only to take care of the anticipated increased expenditures and the deficit, but an additional $500,000 as well. Why all this hurry? Why all this rush? If in past years there have been surpluses amounting to more than $90 million, perhaps the Post Office Department should be something like the bear who is content to hibernate and live off his excess fat for a while. Perhaps the department should leave things as they are. There might be some virtue in the suggestion that they consider the matter for about three years, and then if they find it necessary they could increase the rates or bring the situation to the attention of parliament.

I support the suggestion offered by the hon. member for New Westminster that, should this increase be imposed and the anticipated surplus be realized—and I believe it is expected that there will be a surplus—it should be passed along by way of benefits to the civil service, the members of which are striving to fulfil their duties, many under very discouraging circumstances. We appreciate the work being done by postal employees. They are doing a tremendous job that is deeply appreciated. Therefore I suggest that their services be further recognized by permitting them to participate in the benefits flowing from these surpluses.

Mr. Zaplitny: Mr. Chairman, I have no desire to make a speech on a subject which has been so well discussed. However, I have a few questions to ask the minister.

First, in the debate yesterday the hon. member for Qu'Appelle, I believe it was, expressed the hope that some of the financial benefits accruing from this increase might find their way to the postmasters in the smaller post offices throughout Canada. I am wondering whether that was just a hope on his part, or whether he had some indication from the government that that is to be done. Would the minister comment on this point?

Mr. Cote: I understand that actually the officials are considering giving an increase to

revenue postmasters. However, I shall be in a better position to give details when the bill is before us for second reading.

Mr. Zaplitny: A further question has reference to a part of the discussion to which I believe the Postmaster General has not replied, unless I missed it. The question has come up repeatedly in connection with second-class mail not being included in the proposal before us. I suppose there must be some reason why the increase is for first-class mail only. In view of the fact that it has been pointed out that we are losing money on second-class mail, from a cost accounting standpoint, while we are making a profit on first-class mail, would the Postmaster General tell us why he is not proposing an increase in the rate on second-class mail?

Mr. Cote: According to statute, parliament has to decide about any increase in the rate on first-class mail. However, we may take it for granted that it is a general increase of one cent all along the line.

Mr. Zaplitny: Either the Postmaster General did not understand my question or I did not understand his answer. I have asked why he is confining the increase to the rate on first-class mail, and leaving second-class mail untouched.

Mr. Cote: I do not understand what my hon. friend is saying. Does he ask whether we are going to increase the postage rate on newspapers?

Mr. Zaplitny: Anything which would fall within the definition of second-class mail.

Mr. Cote: No.

Mr. Zaplitny: Newspapers would be one of them.

Mr. Cote: We are not going to touch newspapers.

Mr. Zaplitny: You have no intention of asking for an increase on that?

Mr. Cote: No, not on newspapers.

Mr. Zaplitny: Would the Postmaster General explain why he is not asking for an increase in the rate on a class of material on which we are losing money, from a cost accounting standpoint, and why he asks for an increase on a class of mail on which we are now making a profit?

Mr. Cote: The increase we are asking will be made all along the line in first-class mail. I do not want to make a speech about the way news is spread and publicity is required by the people. That has been discussed by several members. We are not increasing the rate on newspapers. However, I shall make inquiries as to exactly what the increase will affect, and I may make a detailed report on every item. At the moment, however, I do not think there will be any increase on newspapers.

Mr. Zaplitny: It is five o'clock, Mr. Chairman.

Progress reported.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. W. G. Weir (Portage-Neepawa) moved that the following bills be read the second time:

Bill No. 85, for the relief of Marie Jeannine Bisson Lecuyer.—Mr. Weir.

Bill No. 86, for the relief of George Joseph John Louis Gustav Brisebois.—Mr. Weir.

Bill No. 87, for the relief of Ivy Isabel Brown Wilkinson.—Mr. Weir.

Bill No. 88, for the relief of Eileen Sybil Fels Goldstein.—Mr. Weir.

Bill No. 89, for the relief of Liliane Bernier L'Heureux.—Mr. Croll.

Bill No. 90, for the relief of Andrew Warden Clark.—Mr. Croll.

Bill No. 91, for the relief of Frances Herscovitz Hershon.—Mr. Croll.

Bill No. 92, for the relief of Mary Frances Beatrice Lord Tomkinson.—Mr. Croll.

Bill No. 93, for the relief of Roslyn Belkin Cohen.—Mr. Croll.

Bill No. 94, for the relief of Phyllis Mildred Brohart Stephens Mowat.—Mr. Croll.

Bill No. 95, for the relief of Anna Lillian Montague Maye.—Mr. Croll.

Bill No. 96, for the relief of Gerald Fry.—Mr. Weir.

Bill No. 97, for the relief of Gordon Amos Finlay.—Mr. Croll.

Bill No. 98, for the relief of Eleanor Mary Hastie Moon.—Mr. Croll.

Bill No. 99, for the relief of Jean de Tonancour Racette.—Mr. Croll.

Bill No. 100, for the relief of Pauline Frances Elizabeth Appleton Powell.—Mr. Croll.

Bill No. 103, for the relief of Joseph Anthony Albert Britt.—Mr. Croll.

Bill No. 104, for the relief of Violette (Labeebe) Zakaib Kenemy.—Mr. Croll.

Bill No. 105, for the relief of Elizabeth Josephine Grant Drummond.—Mr. Croll.

Bill No. 106, for the relief of Joseph Georges Roger Dufort.—Mr. Croll.

Bill No. 107, for the relief of Max Wulfovitch.—Mr. Croll.

Bill No. 108, for the relief of Jessie Moffat Luce.—Mr. Weir.

Bill No. 109, for the relief of Julia McKenzie Clarke Smith.—Mr. Croll.

Private Bills—Divorce

Bill No. 110, for the relief of Phyllis Matthews Cloutier.—Mr. Croll.

Bill No. 111, for the relief of Rose White Bishop.—Mr. Croll.

Bill No. 112, for the relief of Victor Della Porta, otherwise known as Jack William Taylor.—Mr. Croll.

Bill No. 113, for the relief of Edith Hersh Beck.—Mr. Croll.

Bill No. 114, for the relief of Dorothy Amelia Hockley Burne.—Mr. Croll.

Bill No. 115, for the relief of Dora Garoff Bernstein.—Mr. Croll.

Bill No. 116, for the relief of Phyllis Weiss Cohen.—Mr. Croll.

Bill No. 117, for the relief of Rose Lillian Budd Cooke.—Mr. Croll.

Bill No. 118, for the relief of Jeanne Delattre Toubeix.—Mr. Croll.

Bill No. 119, for the relief of Esther Smilovitch Benjamin.—Mr. Croll.

Bill No. 120, for the relief of Shirley Ann Slayton Dubuc.—Mr. Weir.

Bill No. 121, for the relief of Grace Mary Harrison Laycock.—Mr. Weir.

Bill No. 122, for the relief of Lawrence Druxerman.—Mr. Croll.

Bill No. 123, for the relief of Shirley Catherine Bradley Boyd.—Mr. Croll.

Bill No. 124, for the relief of Ferdinand Nunes, otherwise known as Ferdinand Numes.—Mr. Weir.

Bill No. 125, for the relief of Sarah Estephanie Debonnaire Johnson.—Mr. Weir.

Bill No. 126, for the relief of Sarah Ida Rishikof Neidik.—Mr. Croll.

Bill No. 127, for the relief of Harold Goldstein.—Mr. Croll.

Bill No. 128, for the relief of Mary Kathleen Hayes MacDonald.—Mr. Croll.

Bill No. 129, for the relief of Dorothy Elizabeth Brewin Lovegrove.—Mr. Weir.

Bill No. 130, for the relief of Barbara Jean White Simpson.—Mr. Weir.

Bill No. 131, for the relief of Donald George Kirk.—Mr. Weir.

Bill No. 132, for the relief of Joseph Wilmott Albert Parmenter.—Mr. Weir.

Bill No. 133, for the relief of Margaret Agnes Dupont Legault.—Mr. Croll.

Bill No. 134, for the relief of Jack Merson. —Mr. Croll.

Bill No. 135, for the relief of Philip George Ralph Anley.—Mr. Croll.

Bill No. 136, for the relief of Rebecca Joyce Isobel Hahn Vengroff.—Mr. Croll.

Bill No. 137, for the relief of Mary Szabowska Skowron, otherwise known as Marie Szabowska Skowron.—Mr. Croll.

Bill No. 138, for the relief of George Arthur Crittenden.—Mr. Croll.

[Mr. Weir.]

Bill No. 139, for the relief of Evangeline Emma Bonner Dancsak.—Mr. Croll.

Bill No. 140, for the relief of Reginald George Silversides.—Mr. Weir.

Bill No. 141, for the relief of John Partridge.—Mr. Croll.

Bill No. 142, for the relief of Jacques Labonte.—Mr. Weir.

Bill No. 143, for the relief of Laura Solow Schwartz.—Mr. Croll.

Bill No. 144, for the relief of Leona Kuprasz Veremchuk.—Mr. Croll.

Bill No. 145, for the relief of Mary Bernice Patricia Mullins Coristine.—Mr. Weir.

Bill No. 146, for the relief of Evelyn Saxe Harris.—Mr. Croll.

Bill No. 147, for the relief of Catharina Elizabeth van de Casteel Fortune.—Mr. Weir.

Bill No. 148, for the relief of Hazel Viola Christena Darey Moore.—Mr. Weir.

Bill No. 149, for the relief of Leontine Pelletier Lamothe.—Mr. Croll.

Bill No. 150, for the relief of Lillian Hazel Welch Alexander.—Mr. Croll.

Bill No. 151, for the relief of Therese Perrier Langlois.—Mr. Croll.

Bill No. 152, for the relief of Anita Eleanor London Lewy.—Mr. Croll.

Bill No. 153, for the relief of Norma Patricia Cooke Campbell.—Mr. Croll.

Bill No. 154, for the relief of Alexandra Morgoci Cucu.—Mr. Croll.

Bill No. 155, for the relief of Daisy Helen Dean Harpes.—Mr. Croll.

Bill No. 156, for the relief of Gerald Gaudet.—Mr. Croll.

Bill No. 157, for the relief of Genevieve Mary Emily McGuire Carragher.—Mr. Croll.

Bill No. 158, for the relief of Sydney Silverman.—Mr. Croll.

Bill No. 159, for the relief of Joseph Lucien Nadon.—Mr. Croll.

Bill No. 160, for the relief of Patricia Louise Noseworthy St. Laurent.—Mr. Croll.

Bill No. 161, for the relief of Joseph Octave Leopold Richer.—Mr. Croll.

Bill No. 162, for the relief of George Gerald Patterson.—Mr. Croll.

Bill No. 163, for the relief of Marcel Berube.—Mr. Croll.

Bill No. 164, for the relief of Gertrude MacDonald Watt.—Mr. Croll.

Bill No. 165, for the relief of Claire Pierrette Desrochers Dixon.—Mr. Croll.

Bill No. 166, for the relief of Fernand Laurin.—Mr. Croll.

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

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as I indicated on

Tuesday it is not my intention, for the reasons I gave at that time, to ask the house to take any time in the discussion of these bills at the moment. However, I think it might be well for us to keep a box score. We gave second readings to 60 divorce bills in half a minute on Tuesday, and we are asked now to give second reading to another 80 in a half minute today.

Motion agreed to and bills read the second time.

CANADA GRAIN ACT

AMENDMENT TO PROVIDE FOR FAIR ALLOCATION OF BOX CARS

The house resumed, from Tuesday, December 15, consideration of the motion of Mr. Argue for the second reading of Bill No. 3, to amend the Canada Grain Act (distribution of box cars).

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I am particularly pleased to rise at this time to speak in support of Bill No. 3, an act to provide for the distribution of box cars at a marketing point in accordance with the wishes of the farmers. I do so at this time because I had the opportunity, during the Christmas recess, to return to my constituency and discuss this proposal with the farmers in the various districts concerned, and I found that they were unanimously in favour of a system whereby they would have some say in the allocation of box cars among the elevators at a particular marketing point. They favour a principle whereby they would state their intentions of delivery to the various elevator companies, and the railways would then be obligated to deliver railway cars in response to their wishes.

In addressing the house the last time we were debating this motion, the Minister of Trade and Commerce (Mr. Howe) made the point that the car order book as at present constituted is perfectly adequate as a mechanism to allow the farmers to deliver grain to the elevators of their choice. He implied that there was no necessity for any further regulations in order to give the farmers the privilege of delivering to the elevators of their choice. In that regard I might state that the president of the Saskatchewan wheat pool, Mr. J. H. Wesson, speaking to the annual convention of the pool, had this to say:

> I notified the minister that as far as the pools were concerned our main interest was not to eliminate the car order book section but to do something by an amendment to the act to deal with the distribution of cars when the car order book section could not function under these conditions, —to deal with the distribution, not by regulation of the board of grain commissioners but by a definite amendment to the act.

The bill we have under debate is a definite amendment to the act that is aimed at distributing box cars according to the farmers' wishes. At the same time the memorandum to the government of Canada from the interprovincial farm union council in November of last year had this to say:

> We realize that the present car order book provisions are inadequate to meet present conditions, and we submit they were not framed for such a purpose. We desire now, as we did when we appeared before the agricultural committee of the House of Commons last spring, to make a specific recommendation that the proposals put forward in the committee's report to the house on that occasion, following our presentation, be proceeded with immediately to review and revise the Canada Grain Act, including the section dealing with the car order book, and add a new section providing the farmer opportunity to deliver his grain to the elevator of his choice. However, we urge the retention of the present provision for the farmer to order a car in his proper turn to the loading platform or other place of his own choosing.

Our bill meets with the exact requirements as set out by the memorandum to the government from the interprovincial farm union council. I believe the two statements I have referred to would refute in its entirety the statement made by the hon. member for Calgary North (Mr. Harkness) who, as reported at page 934 of *Hansard*, said:

> . . . no demand has been made for it by the western farmers themselves.

As reported at page 936 of *Hansard*, the Minister of Trade and Commerce stated that Mr. R. H. Milliken, solicitor for the Saskatchewan wheat pool and a lawyer, finds the legal terminology of our bill not to his liking. We do not profess to be lawyers. If Mr. Milliken takes exception to the legal terminology of our bill—and I maintain that is what he took exception to, and not the principle contained in it—then I suggest that the government themselves could improve on the legal wording by giving the task to one of the abundance of trained legal backbenchers so they would have something to do this session.

As practical farmers we all realize that delivery to the elevator that has the room is a most unsatisfactory criterion. On occasion I have been forced to deliver one load to each of three elevators because they filled up in that order. I have my own desires as to where I want to market my grain, and I do not want to be governed by the principle that there is room for only a certain amount of my grain in a certain elevator because the railways have allocated box cars in that particular proportion.

This matter was taken up by a group of individuals in my constituency, and I have some highly interesting correspondence to prove the necessity for the inclusion in the Canada Grain Act of a principle whereby the railways would have definite guidance in the allocation of box cars at a marketing point in accordance with the wishes of the farmers. Here is a copy of a telegram sent to Superintendent E. Cutts of the Canadian National Railways at Saskatoon, copies of which were later sent to Mr. McIvor and to Mr. Milner. The telegram reads as follows:

> We the shipping committee as representatives of the wheat pool members of Springwater district do not see why Federal Grain with two licenses but only one agent, should get two-thirds of grain cars at this point when they continually show space, while the pool is plugged and patrons cannot deliver their quota to the elevator of their choice. It would seem to us that this being a democratic country there should be no reason why we cannot have sufficient cars to handle our quotas through our own pool elevator system.

That telegram was sent over the names of Mr. H. W. Turner, chairman, and Mr. R. C. Staples, secretary of the local wheat pool committee. They received in reply a telegram from Mr. Cutts. It was addressed to Mr. H. W. Turner, chairman, and Mr. Robert C. Staples, secretary, wheat pool committee, Springwater, Saskatchewan, and reads as follows:

> Wheat board instructions require empties be supplied each elevator equally when they have grain to ship.

That is the answer they received from the railways. Here is the answer they received from the Canadian wheat board, signed by Mr. W. Riddel, commissioner:

> In the absence of Mr. McIvor I wish to acknowledge receipt of your telegram of November 27 last, regarding distribution of cars to the elevators at Springwater. I note that the pool elevator is receiving one third of the cars whereas the Federal Grain with two elevators but one agent is receiving two thirds of the cars being supplied.
>
> While our board has no control over the distribution of cars at local points,—

That is a significant point.

> —I wish to advise that I have brought your complaint to the attention of the railway company. I trust that as a result they will take some action to correct the situation.

I think here we have two very significant statements made by two significant authorities. Canadian National Railways, on the one hand, is saying that it is the responsibility of the wheat board to distribute box cars among the elevators at a marketing point. On the other hand the wheat board comes back and says it has no control over the distribution of cars, that the railway has that job. It looks to me like the old army game of trying to find the pea under the shells, but in this case the C.N.R. and the board of grain commissioners do not themselves know which shell the pea is under. It makes it very difficult for the farmers to try to figure it out. It points to the fact that legislation is necessary in the form of an amendment to the Canada Grain Act to provide a system whereby the railways and the Canadian wheat board can allocate box cars according to the wishes of the farmers among the elevators at a particular marketing point.

I believe if the principle of allowing farmers to select the elevator of their choice were introduced it would not involve too much rigidity and would not substantiate what those who oppose this bill believe, that the farmers are continuously changing from one elevator to another. I think if you take the pattern of several years' delivery at a particular point you will find that the same farmers deliver to the same elevator year after year. Conditions became particularly aggravated in periods of congestion when the elevators did not have room to accept the grain offered, and therefore the farmers had to change their pattern of delivery. Rather than being able to deliver it to the elevator to which they would prefer to deliver, they have been forced to deliver to the elevator that has space or suffer the consequences.

When you have a condition in which elevator agents and elevator companies have complete control over the purchase of grain you run across some situations which are not conducive to good farming practices. For example, the elevator agent who has a certain amount of room in his elevator is certain that it will be filled very shortly because of the necessity of the farmers to deliver grain. Therefore he does not have to concern himself with providing service to the farmer in order to induce him to deliver his grain to that elevator.

We have instances of grain elevators closing their doors sharp at six o'clock. I do not object to that, but I do object to their closing the doors at six o'clock sharp when there is a load of grain coming up the runway, and I can cite more than one instance where that has happened. The agent has become very independent. It is not his responsibility to be at the elevator. He can take up other occupations. It may be selling insurance, it may be helping one of the neighbouring farmers to combine or complete his harvesting operations. In any case he is absent from his place of business, and when a farmer comes to have a moisture test made to learn whether it is safe to harvest his grain, or to get a dockage test made or have his grain

graded so he will have some guidance as to what bin he should put it in, the agent is absent.

I think the responsibility for providing service to the farmers rests on the elevator company, and this situation has arisen through lack of competition. We have an outstanding example of that reported by Mr. M. M. MacKinnon, assistant commissioner of the board of grain commissioners. He made an investigation into the marketing situation at Tramping Lake and this is what he had to say:

> Mr. P. Wisbeck, the Searle agent, advised that he is farming 300 acres. . . . The United Grain Growers' agent is also farming and has not sold any of his grain yet.

When you have a situation where companies are allowing their agents to completely disregard the service they should provide for the farmers, and are permitting them to go and farm themselves with no serious loss in their deliveries, surely you are creating a problem that needs correction. The way to do that is to amend the Canada Grain Act as set out in Bill No. 3, in order to provide farmers with an opportunity to deliver their grain to an elevator of their choice. These points I have raised would automatically be eliminated. The agent would be there providing service. He would be looking for business and wanting the farmer to deliver his grain to his elevator.

I maintain that the same principle holds with respect to agriculture that applies to other industries. I do not believe the railway rations automobile cars among the Chrysler corporation, Ford and General Motors, or that it is laid down how many cars they may get to ship their automobiles to western Canada. Cars are not given to these companies on the basis of one each. They are given to them on the basis of need, and I maintain that the same principle should hold true in the case of farmers, who should be given box cars on the basis of need. If a particular farmer wants to deliver his grain to the Federal elevator, for example, he will have the opportunity of doing so. If he wants to deliver it to the pool elevator he will have the opportunity of doing so.

That is exactly what the bill stipulates. It provides a mechanism which, as I have already mentioned, may not be perfect so far as legal terminology is concerned, because after all we are not lawyers, but I suggest that if the government really want to do something to improve this situation they could devise a workable and practical amendment among the lawyers who sit idly on the back benches.

I would also suggest that when the time comes to vote on the bill hon. members from the wheat-growing areas should consider the people they represent and vote according to their wishes rather than according to the conscience of the Liberal party. In that way we would find all members from the wheat-growing areas voting in support of a bill that involves the principle of allocating box cars according to the wishes of the farmers. No one can tell me that the farmers do not wish this procedure. I have had enough experience with farmers and farm meetings, and through being a practical farmer myself, to realize that this principle is most important and necessary, particularly in periods of congestion.

I am not criticizing the period of congestion. I realize the circumstances that have led up to it. We have had three excellent crops, and I would certainly commend the government and the Minister of Trade and Commerce (Mr. Howe) for at long last giving us the Canadian wheat board to market our grain and afford us some stability. The principle of marketing grain through the Canadian wheat board is one that has proved of immeasurable value to the farmers of western Canada, and I think we can improve on the system of delivering our grain by giving farmers the privilege of allocating grain to the elevators of their choice.

Finally, I say this bill covers the principles desired by the farmers, and it could be made workable. It is requested in principle by the three western pools, and it is a measure that will solve the temporary problem confronting us.

Mr. G. H. Castleden (Yorkton): I wish to speak in support of this amendment to the Canada Grain Act because I think it is aimed at removing an injustice which has lasted far too long. The hon. member for Assiniboia who introduced this bill, and who introduced a similar bill last year, is motivated by the hope that this injustice against the Saskatchewan pool organization can be remedied. I hope this afternoon to prove, first of all, that there is an injustice and, second, that in spite of what has been said in this house the farmers in the pool organizations do wish this injustice removed.

In the annual report of the Saskatchewan wheat pool for 1953 they set out as item No. 5 in their future policy the following:

> A workable plan for the equitable distribution of cars between elevators and shipping points throughout the three provinces, on the basis of the amount of grain handled or to be handled during the season, to the end that growers may be able to deliver grain to the country elevator of their choice; at the same time preserving to the individual grower his right to order cars under the car order book sections of the Canada Grain Act.

In that same report we find that during the crop year 1952-53 the Saskatchewan wheat pool delivered some 46 per cent of the grain. Further figures show that farmers belonging to the Saskatchewan wheat pool, who are active members of that organization, number almost 80,000 out of an estimated 112,000 farmers in that province. This means that approximately 70 per cent of the farmers in that province are members of the Saskatchewan wheat pool. It is natural to expect that these farmers, since they recover a dividend of approximately 3 cents per bushel from their own organization for the handling of that grain, would, if permitted, deliver their grain to their own organization. They would not then be assisting in the making of profits for other organizations, line companies, which have in the past exploited the farmers to the full.

Actually the number of elevators in the province is not the proper criterion by which to measure the deliveries that any pool organization would likely get. This bill is an appeal on behalf of the organizations and the farmers themselves to permit the farmers to deliver their grain to their own elevator, and thus share in the profits accruing from the handling of that grain through their own organization.

Under the present set-up the injustice results from the inequitable distribution of cars because of the failure to give instructions to train crews to see that cars are delivered to the various points according to the wishes of the farmers. Thus, instead of the pool farmers being allowed to deliver their 70 per cent of the grain, they have only been allowed to deliver 46 per cent of all grain, a loss of approximately 24 per cent. I believe the total deliveries to the farmers' organizations in 1952-53 amounted to some 214 million bushels. You can see that the failure to deliver the other 24 per cent caused the farmers a severe loss.

If you take a year when the elevators are empty and there is an opportunity for the farmers to deliver to the elevator of their choice, you will find that they will deliver 70 or 75 per cent of their grain to the wheat pool elevators. As soon as the elevators become filled, then the wheat pool deliveries drop off. The farmer must get money somewhere, and he is compelled to deliver his grain to the opposition elevators. When there are empty elevators at other points, he has to go there, or else forgo the cash advances on his grain.

It is understood that the adoption of this measure will mean more administrative work. It will require that the train crews be instructed definitely. It will require that the wheat pool elevators at various points show what their business is. Elevators will be filled, and cars will be distributed to them in proportion to the business they are doing. It is because of the injustice in the situation that the proposal is being made. Surely a person who produces a commodity, and has an organization through which he can distribute it, should be allowed to distribute it through that organization. He should not be compelled, because of a lack of administration, to deliver the commodity to his opposition.

Perhaps members of the house would appreciate the problem if I were to make a comparison with a manufacturing concern. We will say a company manufactures refrigerators, shoes, shirts or something else, and to get that commodity to the retail market the company handles it through jobbers. What would happen if the company had its own jobbers and was suddenly, through the manipulation of box cars, delivery systems or something else, compelled to deliver that commodity to an opposition firm or through some other jobber who would not give it returns on its commodity?

The wheat pool organizations are behind this. The wheat pool members are behind this. There is a basic human right here which I feel should be recognized. The pool organizations realize that we have had a large wheat surplus for a couple of years. There is a large carryover. We might even have larger carryovers in the future, but surely if this can be done we see no reason why it should not be done. If cars can be distributed according to the wishes of the farmer so he can choose the elevator to which he wishes to deliver his grain, surely that right should not be denied to him. If the present system is continued the farmer's position might be reduced still further, and he does not look forward with any joy to helping build up his competitors. In addition to that there is the aspect of personal gain, the 3 cents per bushel. Over the past years that amount has been paid, and in some cases even more. Why should we deny that right to these farmers if there is any way of granting it?

While I was home at Christmas I made an examination of this problem. I obtained reports from the various pool committees showing the actual record of car deliveries. The car order book is operating at some points, but oddly enough we find that the train crews have avoided, if possible, spotting cars at those points where there is a car order book. In proportion, more cars were delivered to places where there was no car order book. Then the cars could be spotted in

front of the opposition elevator companies; at least that is the way it worked out. At another point where there was only one elevator, a wheat pool elevator, for some reason or other there had not been sufficient cars spotted to enable the farmers to deliver their 3 bushel quota, much less than the 5 bushel per acre quota which prevails today.

When the 5 bushel quota was announced the instructions were very definite. No cars were to be distributed to those points at which there was space in the elevators. This action meant that if the farmers wished to deliver their grain, they must deliver it to the opposition elevator companies, their own elevator being full.

There is something basically wrong here; there is a right which we think under our Canadian system should belong to every individual, namely the right of freedom of choice, to deliver his commodity to an elevator of his own choosing, particularly if it is his own. That is being denied to him. It is because of that injustice that we are bringing in this amendment, in the hope that something can be done to rectify it. There may be imperfections in it, but the basic principle and the causes behind it are sound. It is a case of justice, a case of a right that is not being given to these people. I can tell you in all sincerity that they look upon the present situation as a move on the part of some people who would like to see the Saskatchewan wheat pool and the co-operative pools of the west damaged in whatever way may be possible.

These people have carried on a fight on the western prairies for over 40 years. Throughout my lifetime I have watched the wheat pools and the co-operative organizations bit by bit getting themselves out of the clutches of the line elevator companies and the grain exchange people who operated the grain exchange to suit their own ends. When the farmers had no organization of their own and no elevators of their own they were compelled to drive up to the line elevator companies and take whatever price was offered and pay whatever price was charged for the service given. In the operation of the grain exchange the elevator companies set the price at which the wheat was sold and pocketed the millions that they obtained for the wheat.

Today, after 40 years of struggle, the farmers have their own organization; they have their own elevators. They have something over 1,100 in my own province, and they have annexes and other storage facilities there equal in number, if not greater. When they finally got their own terminals and their own flour mills set up they thought they would be allowed to deliver the grain to their own elevator companies. Now they have finally reached that goal they find that somebody else has put in a roadblock which prevents them from reaching the point they have been trying to get to. They are being penalized to the extent of 3 cents a bushel on about 24 per cent of the grain which is being delivered, about one-third of the wheat pool grain, and which should be going through their own elevators.

I am not able to say whether or not this bill will go through. I only know the cause is just; I only know that what they are asking for is fair. I know the organizations themselves are after it. I have not heard any real reason as to why this right should be denied them and why this principle should not be established.

Naturally, in a time of congestion such as we have at the present time some leeway must be given. It is impossible to handle all the grain through perhaps one particular elevator, but if you give these people the right to choose where they wish to go, they will be satisfied. Nobody says everything should be handled by the pool. That would be a monopoly and we do not believe in that. The farmers should be given free choice in the matter.

The facts prove that 70 per cent of the farmers in Saskatchewan are members of the wheat pool, but the facts are that so far as this 70 per cent are concerned they have a right to ask that they be given the privilege of delivering their grain to their own elevators or the elevators which they choose. In support of that we shall continue our fight.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, in view of the very fine presentations that have been made by the two hon. members who have preceded me there is little, if anything, new that I might add to this debate. However, I should like to emphasize once again some of the points which they made. At the outset I should like to make one or two observations on this problem of box car shortages.

In the last 25 years technical advances in the agricultural industry have been phenomenal. The mechanization has taken place in almost every phase of the agricultural industry, with the result that like other industries it has become a streamlined and efficient business in this country.

What we find today is a situation like this. While one end of the industry has been completely changed through technical advances and mechanization, the other end of the

industry, namely the transportation of the products produced, is just about the same as it was 25 or 30 years ago when farmers took their grain to the market with a horse and wagon. This is one phase of the problem to which we should give some thought.

We hear a great deal about pipe lines for oil and gas. Possibly we should be giving some thought to a pipe line for wheat as a solution to this real problem of box car shortages. The problem we have to try and solve is that of the shortage of box cars. We must try to get the best, the fairest and the most equitable distribution of the facilities at hand.

In spite of everything that has been said about this bill I believe it remains a fair measure. We believe that its adoption will give the farmers of this country an equitable distribution of box cars.

The bill is in line with views held by farm organizations. As has been pointed out here this afternoon, it has been endorsed by the annual meetings of both the Saskatchewan wheat pool and the Saskatchewan farmers' union. I said there was argument against it. One of the arguments was put forward by the Minister of Trade and Commerce. He said that it was physically impossible for 90 per cent of the grain to be handled through one elevator system. To some extent I doubt the validity of that argument, because I know of a great many places in the province where there is only one elevator, and it does not seem to have too much trouble taking all the wheat in that area that is designated to be put through that elevator.

Another argument put forward is that it will interfere with the car order book. I have heard that several times and of course it is absolutely untrue, because the bill as presented is very explicit in that regard. It is intended to apply only where the car order book is not in effect.

While I am speaking about the car order book, I should like to say something more about it. I think we have to support the provisions respecting the car order book in the Canada Grain Act until we have something that is going to work better. I am of the opinion that the provisions regarding the car order book are completely antiquated, for the simple reason that the original purpose of the car order book in the main does not apply at this time. I am sure one of the main reasons the car order book was instituted in the first place was to protect the farmers in western Canada from the unfair practices they had to contend with in the private grain trade as to grades and weight, which of course reflected ultimately in the price they received for their product.

[Mr. Bryson.]

Those unfair practices do not apply at the present time in so far as the private grain trade is concerned. I am of the opinion that the private grain trade will give as good service as the pools, but I hasten to add that they are giving that service because of the presence of pool elevators throughout the country which constitute a threat to their very existence unless they deal fairly with the producer. That is one reason I believe the car order book is more or less obsolete at the present time.

One other reason why I believe it is inadequate is that set forth by the Minister of Trade and Commerce when he referred to the suspension of the car order book. He said, as reported on page 939 of *Hansard* of December 15, 1953:

> With the absolute need for priority shipments, the distribution of cars in accordance with the applications in the car order book cannot be properly carried out. To check every application to ensure that the grain to be shipped has a preference is impossible, and would unnecessarily delay shipments.

Looking at it from that point of view I think it is pretty safe to say that the car order book is not as important as it might be.

As I said a moment ago, I doubt if anything I can say will add to the fine presentation we have heard already. The arguments by the minister with regard to the suspension of the car order book do not seem to be very valid. It must be remembered that at the time of its suspension it applied only to 200 points out of some 1,200 in Saskatchewan, and did not apply in either Alberta or Manitoba.

In conclusion may I point out again that I believe the proposals outlined in the bill now before us are fair and have the support of farm organizations and farm people in western Canada. I am sure their adoption will make for a more equitable distribution of box cars.

Mr. H. R. Argue (Assiniboia): Mr. Speaker—

Mr. Deputy Speaker: I would remind hon. members that if the hon. member for Assiniboia speaks now he will close the debate.

Mr. Argue: Mr. Speaker, I believe there has been a very good discussion of this bill, and from that discussion I think it is clear that if it becomes law it will provide a fair, equitable and workable method of distributing box cars.

When the Minister of Trade and Commerce enters a debate he usually takes a very decided position. He opposed this bill, but in doing so I think he made one of his milder presentations. The minister claimed that this bill would make the distribution of

box cars more rigid. Then in the very next sentence he complained that the bill was not rigid enough. He said that another difficulty in the bill was that it did not require the farmer to deliver grain to a particular elevator. First the minister said it was too rigid and then he said it was not rigid enough. The minister went on to say, and I quote from page 935 of *Hansard* of December 15, 1953:

> We are not discussing grain marketing in general but a particular bill related to it, and if there are weaknesses in that bill, obviously the bill should be opposed whether you like the principle or not.

I submit that that is no reason for defeating this bill. Rather the subject matter of the bill should be referred to the agriculture committee of this house for discussion and consideration. The problem of the distribution of box cars in western Canada is serious. Its solution is urgent, and I believe members of parliament should be giving consideration to a solution of that problem.

I think most hon. members in the house agree that the right hon. Minister of Trade and Commerce is particularly able. I have enough confidence in the minister to believe that he could bring forth a workable solution to this problem if he cared to. There is just one difficulty. If a workable solution to the distribution of box cars is brought forward it will allow farmers to deliver grain to the elevator of their choice. When they are able to do that it will mean more grain for their own elevator system and less grain for the private elevator system.

The minister said he had never heard any complaints from the wheat pool organization about the distribution of box cars. Well, I certainly have. They complained in their latest annual report. A committee of the three western wheat pools have been considering this problem for the last year. A resolution was passed at their most recent convention asking for a proper and fair distribution of box cars.

I hope when the vote is taken members from all sides of the house will support the bill. I was glad to note that we are receiving support from members of the Social Credit party. I am hopeful that we will receive some support from western members of the Conservative party. The problem is certainly urgent; it must be solved, and to say that it does not exist is not being realistic.

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

YEAS

Messrs:

Argue	Cameron (Nanaimo)
Barnett	Campbell
Blackmore	Castleden
Bryson	Coldwell
Ellis	MacInnis
Fair	McCullough (Moose Mountain)
Hahn	Nicholson
Holowach	Patterson
Johnson (Kindersley)	Regier
Johnston (Bow River)	Thatcher
Jones	Thomas
Knight	Winch
Knowles	Yuill
Leboe	Zaplitny—29.
Low	

NAYS

Messrs:

Adamson	James
Anderson	Jutras
Applewhaite	Kickham
Ashbourne	Kirk (Antigonish-Guysborough)
Balcom	Kirk (Shelburne-Yarmouth-Clare)
Batten	Lafontaine
Bell	Lennard
Bennett (Grey North)	Lesage
Blair	MacDougall
Blanchette	MacEachen
Boisvert	MacKenzie
Boucher (Restigouche-Madawaska)	MacNaught
Bourget	McCubbin
Breton	McCulloch (Pictou)
Brooks	McGregor
Buchanan	McIlraith
Byrne	McMillan
Campney	Mang
Cardiff	Martin
Casselman	Matheson
Cavers	Mitchell (London)
Churchill	Murphy (Lambton West)
Claxton	Murphy (Westmorland)
Cloutier	Nesbitt
Cote	Nickle
Coyle	Nowlan
Dechene	Pearson
Deschatelets	Philpott
Deslieres	Pickersgill
Dickey	Pommer
Drew	Pouliot
Dumas	Power (St. John's West)
Dupuis	Proudfoot
Enfield	Prudham
Eyre	Purdy
Fairclough, Mrs.	Reinke
Fairey	Robertson
Fleming	Robinson (Bruce)
Fraser (St. John's East)	Robinson (Simcoe East)
Garland	St. Laurent
Garson	Simmons
Gauthier (Lake St. John)	Sinclair
Gauthier (Nickel Belt)	Stick
Gauthier (Portneuf)	Stuart (Charlotte)
Green	Studer
Gregg	Thibault
Hamilton	Trainor
Hardie	Tucker
Harris	Tustin
Harrison	Villeneuve
Hees	Weaver
Hellyer	Weir
Henderson	Weselak
Hodgson	Winters
Howe (Port Arthur)	Wood—111.
Huffman	

Mr. Goode: I was paired with the hon. member for Medicine Hat (Mr. Wylie).

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

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

POST OFFICE ACT

AMENDMENT TO INCREASE POSTAGE ON LETTERS AFTER APRIL 1, 1954

The house resumed consideration in committee of the following resolution—Mr. Cote —Mr. Robinson (Simcoe East) in the chair:

That it is expedient to amend the Post Office Act to increase the rates of postage on letters posted in Canada from the 1st day of April, 1954,

(a) on each letter for delivery within the postal area in which it is posted, from three cents to four cents for the first ounce or fraction of an ounce, and from one cent to two cents for each additional ounce or fraction of an ounce, and

(b) on each letter posted within one postal area for delivery in another postal area from four cents to five cents for the first ounce or fraction of an ounce, and from two cents to three cents for each additional ounce or fraction of an ounce.

Mr. Montgomery: Mr. Chairman, while a good many members on this side of the house have entered the debate, nevertheless I feel that people outside the house and particularly in my part of the province of New Brunswick are becoming more interested as more is said here.

One point has been brought to my attention from my own province since this debate started. I have no desire to criticize the Post Office Department and the congenial minister in particular, inasmuch as he is one person with whom it is difficult to argue because he is very co-operative. I also believe I can honestly say that in general the post office officials give exceptionally good service and sometimes, as in the case of my own constituency, under most difficult circumstances. But I understand that the increase in postage rates is not being introduced for the purpose of increasing or improving the service. Like other speakers I say that neither I nor the people whom I represent believe that this tax—and it is a tax—this increase in postage rates is being imposed solely for the purpose of meeting increased expenditure in the department.

In other words, having in mind the farsightedness of the Minister of Finance, we do not believe it can honestly be said that this situation could not have been anticipated when the budget was brought down last February. We also feel that there is discrimination, and I will come back to that in a few minutes. However, as the Postmaster General said, let us be fair about this matter. Let us examine the facts as the government has placed them before us and as it placed them before the people last summer and in the budget debate last spring. When the Minister of Finance brought down his budget he reviewed very ably the financial situation of the country. After making that review he told us that he was going to eliminate the stamp tax on cheques. He could very well do so because he was still budgeting for quite a considerable surplus.

At the very time he was doing that, at the very time he was telling hon. members that he could dispense with the stamp tax on cheques, he also knew that he was going to take away a tremendous amount of revenue from the Post Office Department. I am satisfied of that, and I think any member of the house, knowing the Minister of Finance, knew very well that the minister realized that the department would suffer. For over 20 years this department has contributed millions of dollars to the consolidated revenue fund. About eight or nine months after removing the stamp tax the Post Office Department found itself in financial difficulties. Why? I am not convinced that this was a surprise to them, and I do not think any member can say, after listening to the arguments put forward in the house in the last two days, that anyone should be surprised who knew the situation prior to last February.

Therefore the government knew quite well when they removed the stamp tax that something had to be done for the Postmaster General. The Minister of Finance budgeted for a surplus, and as far as we know he is going to achieve it. Let him turn over part of that surplus to the Post Office Department to meet its expenses for this year. Give the Postmaster General a chance to put into operation some of the recommendations made by the firm of consultants which investigated the department at their request. I understand he is starting to implement them. Give him a year to see what economies he can put into effect. Give him a year to see what the picture will be. I am very doubtful that there will be much of a deficit, because I believe the Postmaster General is just as efficient as any other minister and his department can be run just as efficiently as any other. Give him a chance to see what he can do, and if it is necessary to provide funds to meet a deficit let them be provided out of the

consolidated revenue fund, because over the years that fund has received millions of dollars from the department.

If the government do not consider that is the fair thing to do, then they will have to face the criticism which is going to be made, and which I believe we are quite justified in making, that the stamp tax on cheques was removed simply as an election promise and for no other reason. It is a tax. I do not care whether you call it postage; I say it is still a tax. It comes out of the people.

Coming back to the question of discrimination, the stamp tax on cheques was paid largely by the people who could better afford to pay it, but now everybody who happens to write a letter is going to have to pay the higher postage rate.

There is another point in connection with discrimination. From what has been said here there seems to be no doubt that the air mail rate is going to be reduced. It is going to be eliminated, if you wish, because all mail will carry a 5-cent postage stamp for the first ounce. I happen to live in an area where very few people use the air mail service. If I want to send a message from my home to Ottawa it will arrive here quicker by train than by plane. That is the case for all of the area I represent, because we are so far from an airport that by the time a letter has been mailed in the post office and taken to the airport it will take longer to reach Ottawa than if sent by train. But we will have to pay the same amount of postage on our mail as will those people who can and do use air mail service substantially.

As one of my colleagues said this afternoon, if a person wants to use the air mail service he can do so. I do not think anybody has been kicking about paying the extra postage, but let those people pay for the service who want it and use it. We do not want air mail service because in our community it is of no particular benefit to us. It does not seeem to do us much good. If we happened to be sending letters to Vancouver, Victoria or other places in the west we might get some advantage from it, but most of our people do business with people in Montreal, Toronto, Ottawa and other points in the east. If they want to use air mail they are quite willing to pay for it, and that is the opinion I have received today from my constituency.

Last night the hon. member for Charlotte said that as far as he knew nobody in New Brunswick was kicking. That may have been true up to the point when people began to wake up to the fact that this was simply a case of robbing Peter to pay Paul, that it was a case of removing a tax in one place and imposing it in another. There is, therefore, some opposition to this increase in the postage rate.

An hon. Member: The same thing over and over.

Mr. Montgomery: It may be the same thing over and over, but it pays to say these things over and over. If we do not say them over and over, the people will not know about them. Hon. members can sit over there and smile because they know they have the power to put this thing over whether or not we like it. However, that is not going to keep us still. You are not going to shut us up. We have to talk about this in order to enlighten the people. I have not heard any hon. member on that side of the house say anything about this to support the minister.

The Chairman: Has the hon. member concluded his speech?

Mr. Montgomery: No, I have not, but I am very near the end, Mr. Chairman.

I know I am not going to add a great deal to the debate so far as the house is concerned, but I do believe I should speak for my people. I feel that I have made my points pretty well. You may not wish to pay any attention to them, but there is a discrimination. There seems to be no good reason for reducing the air mail rate. I am not satisfied, and there are lots of people who are not satisfied, that it is necessary to make this increase in postal rates.

Mr. Hamilton: In the annual report of the Postmaster General for last year we find a sentence to the effect that the department has received assistance from the firm of J. D. Woods, Limited, management consultants. This was the report to which I referred yesterday in this house, saying that we had not seen it. The minister was kind enough to say that he would make it available to me for whatever use I wanted to make of it.

I want to thank him for doing so. I am sorry he could not lend me a copy of the report, because I did find it a little difficult working on the corner of his secretary's desk throughout this morning and studying the report while she dictated to a succession of three of her secretaries. Apparently there is no shortage of staff in the hierarchy of the Post Office Department. Perhaps that is the reason it just seemed to the minister yesterday that he had 50,000 people instead of the 44,000 he actually has.

Before we examine the statements made in this report, I think two general points should be made. First of all the report was commissioned by the department itself, which

paid many thousands of dollars for it. I do not know how much. Perhaps the minister might tell us. From having seen other jobs of this kind done, I would imagine it cost between $10,000 and $15,000 for the complete job. It is quite obvious, therefore, that the department is to a certain extent, as in all these cases, in a position to suggest to the group doing the job the nature of the treatment that should be undertaken, and perhaps in a certain way how their remarks might be phrased.

I think this is particularly important, because as I understand it the government has a number of jobs of this kind which are done from time to time, and it is quite obvious that any firm would want to retain this connection. When the report is critical, it is no defence to say you will take measures to correct this situation unless the criticism contained in this report is very limited. Throughout the whole of this report we find generalized criticism of the department which indicates a state of affairs that can only be solved by a general housecleaning. There has been no indication in the department's annual report or in anything that has been said in this house that there is going to be any general housecleaning of the Post Office Department.

We must remember also that in its own report for this year the Post Office Department has said that it has for a number of years been devoting a great deal of time and effort to management and organizational problems.

If the department has been doing that for a great many years, and a report is written concerning their operations at the end of 1952, we would logically expect to find the department in fairly good shape. On the other hand, if after all this an independent organization paid by the government to study a government operation is still critical of that operation, then surely we are correct in assuming there is something wrong with that department. The department has demonstrated its inability to correct the situation.

We come now to the report itself. It opens with a glowing sentence praising the Post Office Department. As I have already said, that is what we would logically expect to find. After all, the government paid for it. The opening sentence says that the firm has been impressed by the over-all efficiency of the department, the basic soundness of its administration and organization. That is almost standard in any reports where companies are involved, as any of you who have seen these reports know. As we have said, the government is paying for it. This is very much the same sort of thing as the Dale Carnegie principle which says that you say something nice before you criticize. It is along the lines of the standard sales technique which is to the effect that everything you say is fine, but—and then you give the fellow the truth.

We must not be misled, therefore, by a few statements—and there are a few—in the report which commend the department. I leave those for the minister to bring up later. The basic fact is the report recommends a complete and sweeping reorganization of this department, implying that it is poorly organized, poorly run, inefficient in many cases, and that savings of hundreds of thousands a year could be made in one operation in one city.

It is said that previous recommendations by the civil service commission for increased efficiency have not been followed; that physical facilities presently available for the receipt, storage and dispatch of postage stamps and unemployment insurance stamps are inadequate, both from the viewpoint of security and material handling. Later on I am going to bolster all this with specific quotations from the report.

The report makes over 75 major recommendations of one kind or another. To my mind that is a clear indication of the sorry state of the department now. The recommendations in that report, and I am not going to list them here, range from radical reorganization of lines of authority, decentralization of much activity, and complete changes in the personnel operation, to the establishment of new divisions, increases in the special delivery rates and improvement in the service and reorganization of the tender procedure. The report continues by suggesting such things as the introduction of a system ensuring direct review of services provided for the public so that the complaints and requests of the public may be anticipated.

If 75 sweeping changes of this nature can be logically recommended by this organization, then something is certainly wrong within the department.

The Chairman: I just noticed the hon. member turning a page. May I point out that in committee, as in the house, hon. members are not allowed to read speeches.

Mr. Hamilton: I thank you, sir, for that. These are notes. I presume I can start over again and have another 40 minutes because of these interruptions.

Now let us turn to an examination of some, not all, of the specific charges made in this report. Here is what the report says regarding planning:

It is apparent that the number of clerical staff presently available for this type of work is completely inadequate to deal with the problems being encountered throughout the department.

That idea is bolstered again in another section of the report. We shall now deal with the section having to do with the present method of operation. It says:

Many of the problems raised by the postmasters . . . are referred to the operations branch at headquarters for decision. This system requires the staff at headquarters to deal with a multitude of individual problems . . . The staff at headquarters operate under continuous pressure and there are many delays in dealing with comparatively minor matters. The staff are so occupied in this routine that they are unable to develop and apply policy decisions which would eliminate many individual requests.

If I may say so, it is necessary that I put this on the record because the report is not available to us. I have had the opportunity of studying it, and this is the only way I can put it on the record so the people of Canada can see what is happening in the Post Office Department. In giving these quotations I am abbreviating somewhat but retaining the nature of the quotation and the words used in the report.

With regard to the operations branch the report says:

The work of the operations branch has over the years increased to the point where the staff at all levels are overloaded with a multitude of routine problems and correspondence. No one has had the time to develop policies which can be applied on an over-all basis.

Is it any wonder, when we see these things unfolding before us, that the Post Office Department finds it necessary to come and ask for an increase in the postage rates? Is it any wonder they should do that with this type of internal organization?

Turning to the buildings which are used by the post office we find the report saying:

It is essential that detailed consideration be given to new construction in order that the most efficient operating methods be incorporated in the design.

Quite properly, the postal superintendent in charge of the buildings division has concentrated on this phase of his activities. All the staff in the division have been so engaged. They have not had time to seek out and introduce operating economies throughout the existing post offices. Our survey has disclosed that there is room for substantial savings through better layout, equipment and control.

The post office needs information; it needs controls. Here is one of the things the report has to say regarding controls:

The branch is operating under a severe handicap as there are no standards established to measure the relative efficiency of a given method of operation. The lack of such standards is particularly felt when requests are received for additions to staff or accommodation. The only relative comparison of the volume of work in various post offices is the revenue received by each for the services it renders to the public. It is recognized by the department that this is not an adequate yardstick due to the varying conditions under which post offices operate. The lack of such a standard also makes it difficult to appraise the benefits which might be obtained from improvements in methods and equipment.

We have here another indication why the department is operating largely in the dark, yet it comes to us asking for an increase in rates. We know now, on the basis of the information which is going on the record, that really this department knows not whereof it speaks.

Another section of the report deals with the mechanical engineering division, which is a new department suggested by this report, and I quote:

A mechanical engineering division should make a detailed examination of the equipment and layout presently in use in post offices. This study will disclose great differences in the equipment. In some instances, equipment installed many years ago was continued in use although more efficient equipment is now available. No attempt has been made to standardize on the most efficient equipment.

The report goes on:

There is a need for a reappraisal of the services being provided at various centres across the country. The department should be continually examining the nature of services provided and prepared to make alterations as required to keep pace with changing conditions.

There is very clearly a suggestion there that the department is not doing that; that it is static; that it is not keeping abreast of what is going on in the world.

We now come to another section of the report, regarding a methods and procedures division. The report says:

This division would be responsible for preparing and amending operating manuals. This is presently the responsibility of the services, methods and examinations division. The staff available for this work has proved inadequate and the existing manuals were, in many cases, issued years ago and are now in a large extent obsolete.

The production of up-to-date operating manuals should more than repay the expenditure involved in staff salaries required to prepare them. At the present time there are numerous errors occurring throughout the service and the correction of each one requires the expenditure of time and labour.

We now come to the question of workshops which the department is operating. I never knew that the post office operated workshops. This is what the report says:

At headquarters in Ottawa and a number of the large centres across the country workshops under the supervision of local plant engineers have been established . . .

Then comes an interesting point, because we find that these workshops have been

greatly enlarged so that they are doing something else. Here is the quotation from the report:

It was noted during our survey that a number of these workshops have extended their activities to the manufacture of equipment such as cupboards, wastepaper containers, binneys, and skids, and to the repair of typewriters and other office equipment.

The Post Office Department is in the office equipment business. The report goes on:

These workshops were not established for this purpose and it is questionable if this type of work is economical.

It is suggested that a detailed study of the actual staff requirements to carry out the essential repair work be made and the staff be reduced to a minimum required to perform these duties.

I should now like to give hon. members an item in the report which will capture the imagination of Canadians across this country more than anything else in it. After all, what I have shown so far is fundamental; terribly important, but it is fundamental; it is the organization and operation of the department. Here are three ideas for this committee which show clearly where the department is not taking advantage of current operating methods and the information available to it in order to save the taxpayers' money. Item 1 has to do with floor space and reads as follows:

Floor space,—a redesign of a letter-sorting rack in the forward letter section of the Toronto post office, and improved layout of these racks would result in a 45 per cent saving in the floor space used for this purpose. The changes would not have any significant effect on the labour cost of the operation as it is presently performed.

Item 2 is as follows:

Equipment design. The use of conveyor belts and changes in equipment would allow two operations to be combined.

I understand that this refers to Toronto. Hon. members understand that I have not the report immediately in front of me. The minister has it. There are minor matters which I have no doubt he will correct me on, but there are no major ones.

I am giving just a few of the quotations from the report, which goes on to say that a change in the equipment used would allow these operations to be combined.

While this plan will require further development there is an indicated annual saving in the forward letter section of the Toronto post office alone of approximately $200,000 per annum.

This is referring only to Toronto, and it states it will require further development; but there is indicated an annual saving in the forward letter section of the Toronto post office alone of approximately $200,000 per annum. Let us make it quite clear that this $200,000 saving is possible after the necessary equipment and everything else connected with the operation is installed. That would mean the taxpayers of this country would have to pay to the Post Office Department $200,000 a year less. Putting it another way, the expenses of the Post Office Department would be $200,000 a year less.

With regard to the work place lay-out, the report states that a rearrangement of the lay-out equipment used for sorting tables would increase the efficiency of the operation by from 10 to 26 per cent, with resulting reductions in staff.

Let those three examples be impressed in the minds of everyone as an indication of what is happening today in the Post Office Department, and the tremendous savings of hundreds upon hundreds of thousands of dollars that it would be possible to make if this department would smarten up and operate in the most efficient and economical way.

The report then goes on to refer to the special delivery service. It is interesting to note that for reasons best known to himself the minister decided this year to raise the other rates of postage but not the special delivery rates. The report states:

The cost information available to the department discloses that the special delivery service is operated at a considerable loss. In some centres the postal rate for a special delivery letter is less than the contractor is paid to deliver the letter. The user of the special delivery service is interested in a rapid and assured delivery. It is believed that the majority of users would be prepared to pay considerably more for this service if their requirements were met.

The special delivery is used by only a small number of people, but it is not paying its way; yet in the case of another service the rates are increased. At this point I should like to make just a passing reference to another item in the report which I think is tremendously significant. I am surprised that neither the government nor the Postmaster General has seen fit to make some mention of this matter at some point. There is a suggestion in the report that the post office savings bank, once a most vital part of the economy of this country, has now largely outlived its usefulness, that there is little demand for it. The report recommends categorically that this operation of the Post Office Department be abolished, and it points out that a saving of $377,000 could be made in that one particular instance.

I am not committing myself, nor do I intend to get into a debate on the question of the abolition of the post office savings bank, but here is a potential saving of

$377,000 mentioned in this report of which we knew nothing. No one outside the confines of the minister's office, as far as I can find out, knew of this until last night when for reasons which I should like to think were good the minister made the report available to me.

With regard to the transportation and carriage of mail the report says:

> Little effort has been made to appraise the whole transportation problem and to develop a rational plan or policy to govern future operations and methods.

The report continues with a discussion of subsidies as an important factor in the operation of the Post Office Department. It states:

> The need for a subsidy should, however, become less as an area grows and the volume of normal traffic increases. In the past in negotiating contracts no effort has been made to set out the amount that has been paid as subsidy as opposed to what might be described as the normal cost of operation.

And again:

> The subsidy may therefore be perpetuated long after the justification for it has ceased to exist.

Then with regard to the railway mail service division the report states:

> At the present time there is no one senior officer at headquarters responsible for the over-all direction of the railway mail service.

There is much more in the report. Then another quotation:

> A limited survey of the conditions in Toronto discloses that the planning of this pick-up and delivery service has not been given the consideration which it deserves.

I come now to a reference to how they handle their stamps, which represent money. The report states:

> The postage supply section of the postage stamp division is responsible primarily for the receipt, storage and dispatch of postage and unemployment insurance stamps to postal depots and government agencies. The physical facilities presently available for this purpose are inadequate both from the viewpoint of security and material handling. Many improvements in procedure could also be made.

Then follows an important matter which I believe others of my colleagues will take up and comment on later. The report goes on to say:

> We have reviewed a report of the civil service commission. A comprehensive analysis was made in 1950 of the method of keeping records and issuing stock. It is suggested that this report be reviewed and the suggestions put into practice.

Mr. Fulton: Three years too late.

Mr. Hamilton: Three years too late, and probably gathering dust somewhere on a shelf.

Mr. Cote: I think my hon. friend is a little unfair. After all, I opened the door of my office and he spent the whole day there. Although he may throw flowers at me, I think he should also give me a chance to explain that this report was asked for by my department. The other day hon. members were complaining that we were doing absolutely nothing, and I replied to my hon. friends on the other side of the house that we were doing something. As a matter of fact we did ask for the report. We asked these experts to go through the department, to consider all the problems of the department and make recommendations. It is from their report that my hon. friend is quoting.

On the one hand he does not seem to be satisfied with the way the Woods-Gordon people appraised the department, yet on the other hand he quotes their recommendations without knowing that some of them have already been implemented, which is a little unfair on the part of my hon. friend. When my hon. friend came to me last night I told him that this was a managerial report and as I had only my own copy, it would have been unfair for me to give it to him when I could not make copies available to other hon. members.

I was the one who invited him to my office to peruse the report. Then this afternoon he came to me again and asked if he could go to my office once more. I said yes, and he went there. He may have forgotten this, but he said to me, "When the bill is up for second reading I will want to ask a few questions as to whether these recommendations have been implemented". When he was still at my table at noon I said to him, "Are you still at it?" He said, "Well, I will tell you—

The Chairman: Order.

Mr. Cote: He told me—

The Chairman: Order.

Mr. Hamilton: I shall resume this talk, after the short speech that has been given by the minister. I want to thank him, because I was getting close to my 40 minute limit. I have another ten minutes. I think I shall start all over again now.

The Chairman: I would ask the hon. member to note that I cannot allow him to refer to the report.

Mr. Green: Mr. Chairman, would you repeat that statement. I did not understand it.

The Chairman: The ruling is this, that we cannot allow this exchange between the minister and the hon. member for Notre Dame de Grace. If he wishes to refer to the report, that is all right. But please, can we confine ourselves to the resolution increasing the postage rate?

Mr. Green: I understand, then, Your Honour is not ruling that the hon. member cannot refer to the report.

Mr. Fulton: He said he could refer to it.

The Chairman: The hon. member can refer to the report. Certainly he can refer to the report; but the hon. member will please direct his remarks to the resolution which is before us.

Mr. Hamilton: Mr. Chairman, it would seem to me that my remarks were just a little bit pertinent to the resolution before us. If someone comes to me and says, "I need more money to operate my business", and I find that his business is operated in a shockingly inefficient manner, then I think I am quite right in asking him to straighten out his business before he asks for more money.

The Chairman: Order. What you can do is ask the Chair and, through the Chair, ask him to operate his business in a more efficient manner.

Mr. Hamilton: Mr. Chairman, I must say, as an aside, that I am very much a neophyte in this house. I am not too conversant with its rules. I am deeply appreciative of the courtesy which has been extended to me by Mr. Speaker, by yourself and all the members of the house.

Mr. Cote: And the minister.

Mr. Hamilton: I will try to improve as time goes on.

An hon. Member: You cannot get any worse.

Mr. Hamilton: The report contains a section concerning licensed vendors. Apparently a licensed vendor is a man who purchases stamps from the post office and resells them. These would be tobacconists and places of that kind. Quoting from the report I find it says:

> Even the most active vendors rarely receive more than 75 cents per month and the stamps are generally sold as a convenience to their customers. In one instance that came to our attention the vendor made 17 trips to the post office in one month to purchase stamps for resale and received a total commission of 57 cents. Each purchase involved a preparation and signature of the receipt which was later forwarded to Ottawa and processed.
>
> Permit holders on the other hand purchase their stamps at face value and there is no special accounting involved. It is suggested that the licensing of vendors be discontinued.

That is one thing which I hope the government has already done.

Mr. Cote: We have; and that is why I think my hon. friend should wait until I make a report. He should see what implementation there has been before criticizing since he does not know what has been done so far.

[The Chairman.]

Mr. Hamilton: It seems to me that by putting this material on the record it will give the Postmaster General something to report upon. He can cover all these various points at once, and we will not need to bring them up individually.

Some hon. Members: Oh, oh.

Mr. Hamilton: All right; these are facts. These are not just opinions. These are not just ideas. These are facts which have been set out in cold, hard type, by an organization retained to examine the Post Office Department. And if it hurts just a little bit, that is too bad. I am not happy to see a department of government, one of the agencies of government, subject to this sort of thing. I do not want to stand here and say these things.

Some hon. Members: Oh, oh.

Mr. Hamilton: I do not want to stand here and say these things about any department of government. But, just as the Postmaster General said yesterday that he was not always going to do the popular thing, but that he had his duty to do, I, too, on this side of the house have my duty to do. And I think hon. members are just a little bit unfair. When what I say begins to gouge and hurt, and when the facts come out, they begin to try to shout me down.

Mr. Fulton: You will get used to it.

Mr. Hamilton: Turning now to the report—

Mr. Knowles: It is standard practice.

Mr. Hamilton: Turning now to the report, and the section regarding the financial and statistical controls, we find that it says:

> It has been recognized in the department for some time that there is a lack of information on which to base policy decisions and control activities. The only existing data which can be used to compare the operations of two post offices is the dollar revenue received by the post offices. This is not an adequate measure of the volume of work performed by each.

The report continues with other criticisms along the same line, which I shall not set out in the record. I have no doubt that later on the Postmaster General will tell us about all the things he has done to implement the report and what he is going to do later on. He will tell us what a bright picture there will be. I would like to put on the record something regarding past history and what might have been done by a particular division. The report says:

> A cost ascertainment division was established to devise a practical method whereby the cost of handling various types of mail could be established or estimated.

We know that the cost ascertainment division was established in 1946. Then quoting again from the report:

> The division has made some progress and each year produces a statistical report in which the cost of the various postal services is estimated. During recent months—

And remember that is six years after.

> —a few of the large post offices have been asked to estimate their expenditures in advance and submit monthly reports comparing their actual expenditures with these estimates.

And so, six years after we established a division to do something, the cost ascertainment division, they are still beginning to go into action. This is one of the reasons I hesitate to put any confidence in any statement to the effect that we are going to rush into action on all the recommendations in this report, or any statement that they have been already implemented or that they are going to be implemented very shortly.

The Chairman: Shall the resolution carry?

Some hon. Members: No.

Mr. Hamilton: Quoting again from the report—and I am almost to the end of the quotation—

Some hon. Members: Oh, oh.

Mr. Hamilton: All right. This is a $30,000 saving. It states:

> A number of suggestions in connection with the routines in use in the purchasing and stationery division are set out in appendix I. The adoption of these suggestions should allow reductions in staff with savings up to approximately thirty thousand dollars a year.

Here is a department which has been in operation since 1869. In 1952, after having studied their own operations over a number of years, as they say in their own report, always attempting to become as efficient as possible, it is possible for outsiders to come in and show where the department can make a saving of $30,000 a year on stationery and purchasing alone. Then it continues, dealing with accident prevention:

> At the present time there is no formal program for the reduction of accidents.

That is in the report. Then it says:

> This is a costly waste both to the individuals concerned and to the department.

And then the final quotation, and one which I think sums it up. The report speaks about communications between field and headquarters and it says:

> It was apparent from discussions in the field that a certain amount of frustration exists.
>
> This condition probably arises from a lack of understanding of the field problems by headquarters and the headquarters problems by the field. Suggestions and important matters from the district offices forwarded to headquarters for comment and approval are often not dealt with for long periods or put off by repeated requests for further information. From the headquarters standpoint these suggestions are often so poorly presented that it is impossible to take intelligent action.

We have here a summation of the whole operation. Headquarters does not understand what is happening out in the field and the field does not understand what is happening at headquarters; and we have 44,000 people operating the post office under those conditions. Then the Post Office Department comes in and says, "We want to increase the rates because we are not going to make any money, and we are not satisfied with the $90 million we have made over the past 20 years".

I am just wondering—and I am afraid I am not going to see them—what other reports of this nature the government has in its files and which contain similar information. I will just bet there are dozens of them if it but had the courage to show them.

In my discussions with the minister at one point today I said that I proposed to extract material from the report and ask him what he had done about it, and I referred to second reading of the bill. I apologize to the minister for not having delayed until then. The reason was my ignorance of the rules of the House of Commons.

The Chairman: Order. I very much regret having to interrupt the hon. member, but his time has expired.

Mr. Green: Mr. Chairman, may I ask on what basis you make that ruling? Two or three speeches have been made by the Postmaster General since the hon. member started to speak.

The Chairman: If the hon. member wishes to speak again, that is his privilege; but his time has expired on his present speech.

Mr. Hamilton: I can finish in about one minute.

Mr. Green: May I point out to you, Mr. Chairman, that time and again this matter has been ruled on by other chairmen where there has been an interruption of the kind made by the Postmaster General tonight, not once but two or three times. The ruling has been that such an interruption starts the time of the member who is speaking running again, and that under those conditions the hon. member may speak for another 40 minutes.

Mr. Harris: On the point of order, Mr. Chairman, may I say that I think I saw the hon. member back of the hon. member for Vancouver-Quadra indicate that if he had not already completed what he was saying,

he had almost reached that point. I think everyone wants to complete this discussion before we adjourn tonight. I wonder if we might just leave the matter in this position, namely that anything more the hon. member wishes to say he may say at this point, and then if later, because of other things that may be said in the meantime, he feels he should continue, of course that is his privilege as an hon. member.

Mr. Hamilton: About one minute will do it.

Some hon. Members: Go ahead.

The Chairman: I am entirely in the hands of the committee. Does the commitee agree that the hon. member for Notre Dame de Grace has the floor?

Some hon. Members: Agreed.

Mr. Hamilton: As I was saying to the minister, Mr. Chairman, when this point came up I did not realize that I would have the opportunity to put this information on the records of the House of Commons at as early a stage as this, and I took advantage of the opportunity in order that, as I said to him today, the information having been set out he might give us his answers and his explanations of these facts.

Before I resume my seat I have just one further question. I should like to ask the minister when we in Notre Dame de Grace are going to get our second mail delivery a day.

Mr. Cote: Mr. Chairman, I wish to deal with one point only. The hon. member for Notre Dame de Grace presumed that it would be possible for me to give the answers to the questions which he has just asked or the matters which he has just brought to the attention of the committee. Unfortunately I could not be here and in the department at the same time. While I was here today, he was in my office perusing the report. I may assure him, as I assured the hon. member for Prince Albert, that I will eventually give a summary of what has been done so far.

May I say this. I want to be fair with everybody, and I want everybody to be fair with the Postmaster General. Having regard to the way these representations were made tonight by the hon. member for Notre Dame de Grace, I think they must be completed by the following statement. The report was asked for by the postmaster general who was my predecessor. When it came, we immediately implemented the recommendations in so far as it was possible or advisable to do so. Next week there is to be another meeting to study the matter and see what more could be done. When I make my statement with regard to implementation of the recommendations I will say what my hon. friend forgot to say, namely that most of these recommendations cannot be carried out in one year; their implementation must be spread over a period of years. I may add that if he still has some doubt about the experts of the Woods, Gordon company—as he insinuated at the beginning of his statement—these experts are also employed by the premier of the province of Ontario.

Mr. Churchill: Mr. Chairman, I have no intention of bringing to the attention of the Postmaster General any personal complaints with regard to the delivery of mail. Over the years I have received from the post office nothing but excellent service. Consequently I have no letters to produce that have been delayed in delivery. I have none to produce that have been incorrectly addressed or anything of that nature. In fact, what disturbs me so frequently with regard to the postal delivery is that some letters I would prefer not to receive arrive with great promptness. I would be perfectly happy if they were delayed for several weeks. I have never been quite able to understand why a letter advising me that I have overlooked some account or other arrives the day after it is mailed.

I should like to pay my respects to the postal employees who, over the years, have delivered mail at my home. They have been looking after me extremely well during the last few years. I find that their work is very well done and I am perfectly satisfied. I have no complaints on those scores at all.

I intend to direct any suggestions I may have to make with regard to the administration in general and to the Postmaster General himself. I think one of the reasons this debate has gone on as long as it has at the resolution stage is the fact that the Postmaster General took an improper approach to this problem. It is a matter of experience, I suppose. We all learn. If, on the introduction of the resolution yesterday, the Postmaster General had given a detailed explanation of the operation of the postal department and had given the figures and the statistics to prove conclusively that an increase in postal rates was needed, I think perhaps this debate would have been over long before this time. It is because that information has not been given to us that we have been searching for it from this side of the house.

For example, on a first reading of what the minister said yesterday one would be inclined to think there will be increased costs

for postal service next year, that we must therefore have increased revenue to look after that opportunity. He should have said, as that Nothing at all is said with regard to any of the economies that might be introduced, and nothing at all with regard to the nature of the postal service and its effect on and importance to our country.

The Postmaster General had an opportunity of presenting a broad picture of the importance of postal service in Canada. He missed that opportunity. He should have said, as that great postmaster general who has been mentioned earlier, Sir William Mulock, said, something about the nature of the postal service and its importance. These are words of Sir William Mulock which were quoted yesterday:

> Public opinion favours the cheapest and freest possible communication by mail throughout all parts of the country.

I think that holds true today just as surely as it did in the days when Sir William Mulock made the statement. I think the present Postmaster General should have emphasized that point and pointed out to us the nature of the postal service in Canada. He should have disclosed to us what in his opinion is the business part and what is the public service part, because these things should be clearly understood. If you are going to consider the postal service merely as a business, then you balance expenditures against revenues and you say that this or that must be done. But there are other factors concerned.

Again this afternoon I thought the Postmaster General's replies to the statements made yesterday by hon. members were inadequate. I think I recall him saying yesterday that so many things were discussed during the course of the day that he could not begin to answer them all at that time. He had an opportunity today, and we would have been quite content to listen to him for a considerable period if he had dealt point by point with the matters raised by hon. members on this side of the house. But he summarized very rapidly. He said—and I hope I am quoting him correctly or at least giving the gist of his remarks—that those who have spoken in this debate so far can be divided into those who think the users of the postal service should pay and those who think everybody should pay. There was more to it than that.

There was certainly a third view expressed by member after member on this side of the house. Granted that there were those who said the users should pay; granted that there were those who said everybody should pay, but what about the remarks that were made about the increased business that might result for the post office through greater efficiency? What about the remarks about searching for other sources of revenue? What about the remarks reviewing accounting procedures within the department, and the suggestions that some of the subsidies to other governmental departments and to Trans-Canada Air Lines, for example, might be discontinued?

Surely this was a different point of view from the two the Postmaster General mentioned, and I regret to say that the Postmaster General did not deal with these matters. Then we had set out for us yesterday by the hon. member for Notre Dame de Grace, who has made such a splendid contribution to this debate, the surpluses and the deficits over a long period of years. I think this is the type of background material that the Postmaster General should have given us. We were informed that for the first 30 years following confederation there was a series of unending deficits and that then, with the change in postal procedure and a reduction in postal rates, surpluses resulted in the second 30 years. There were twenty-two surpluses and nine deficits, but on balance surpluses. There was a surplus for that 30-year period.

For the last 20 years we had our attention drawn to the fact that there had been eighteen surpluses and two very small deficits, resulting in a surplus of $90 million for the final 20-year period.

An hon. Member: Good government.

Mr. Churchill: In speaking about these surpluses the minister attempted to tell us that the ones we have had recently were due to the stamp tax which was removed last year, but he did not give us any figures to indicate how much of the surplus was due to that tax, and he did not go back over the years to show when the stamp tax began to increase the surplus. He said nothing about these matters at all but just made a statement, not backed up by evidence, which he asked us to accept. I think that is not quite good enough when we are dealing with a matter as important as this.

This then is the objection I make on this occasion with respect to this important matter, and it is important because it affects everybody in the country. There are some who say that people do not write letters. I have never met anyone who did not write a letter or did not receive letters. In some way the postal service affects everybody in the country. In a matter as important as this I think we should have had full information, but we have been dependent on this side of the house to provide that information.

Look at the research that has been done by the hon. member for Hamilton West, the hon. member for Notre Dame de Grace, the hon. member for Danforth and others on this side of the house who have done the reading, compiled statistics and presented a picture to us of the functioning of the Post Office Department over the years. Why did we not have that presented by the Postmaster General himself? I think he missed a very great opportunity there. In my opinion sufficient information has been disclosed in the course of the debate to indicate that there are a great many ways of saving on the postal service; that there are ways and means of increasing, we hope, the efficiency of the service, and that these should be explored before an increase in the first-class postal rate is put into effect.

The Postmaster General neglected to give us a picture of the future of Canada. Are we not expecting great things? Do we not hear from other ministers of the crown about our expanding economy? Do we not hear about the increase in our population and the general advance of Canada? Is it not right to expect that as our population increases postal service will increase, and that additional revenue will be produced from that source?

The statistics shown in the minister's annual report, and the ones upon which I think he based his expected revenue from the addition of one cent on first-class mail, show that per capita about 100 pieces of first class mail are carried by the post office during the year, and the corresponding revenue from that source. Our population, by natural increase and by immigration, is increasing yearly at a rate—I will use round figures—of about 300,000. On a per capita basis that should surely indicate almost a million dollars additional revenue to the Post Office Department with each succeeding year.

The Postmaster General has not taken that into account in his consideration of this problem. Had a proper picture been presented to us it would have made it much simpler for us to consider the whole problem. We might have been saved some of this lengthy discussion, and perhaps we would have been less critical of the Postmaster General and the administration of his department. We would like an assurance from him that the Post Office Department is going to continue to serve the people of Canada with greater efficiency, with speedier service; that the revenue of the Post Office Department will increase on that account; that there will be a reorganization so the department is bearing only those expenditures that are properly those of the Post Office Department, and so on. Such information, however, was not forthcoming.

I believe the Postmaster General still has an opportunity this evening to deal with some of these matters and answer some of the questions that have been raised on this side of the house. He should tell us, for the information of members and the people of Canada, the place the postal service has in this country, and what part of it is strictly business and what part of it is a public service.

Mr. Adamson: I should like to make a suggestion to the minister. I represent a riding which contains a part of Toronto 9, part of Toronto 3, all of Toronto 15, all of Toronto 14, and all of Toronto 18. I think the old constituency of York West has had the most rapid growth in so far as postal services are concerned of any riding in the dominion. I should like now to pay a tribute to Mr. MacNabb and the officers of the operations department of the post office. Hardly a week has gone by without some new section of suburban Toronto which I represent requesting increased service, increased postal walks or other services. I may say that I have never had anything but the utmost co-operation from the operations department.

There are one or two problems I should like to mention which are peculiar to suburban ridings. I should like to comment on the regulation which prevents two sub-post offices from being within a statute mile of one another. I think that regulation is archaic, for this reason. The suburban highways leading from our metropolitan centres are six and eight lane roads. Traffic travels both ways along those roads at an average of 40 miles an hour, although 30 miles per hour is the statutory speed limit. When one has eight lanes of traffic travelling at that speed, it is as difficult and dangerous to cross that road as it is to cross the Niagara river.

The regulation states that if a sub-post office is on one side of the road another sub-post office cannot be situated within a mile of it, even although it is on the other side of the road. It is obvious that these main highways and this traffic present a barrier which, while not constituting a statute mile, is at the same time a hazard and an obstacle far greater than the statutory distance. I only hope that when this matter is dealt with this regulation will be reconsidered, particularly as it affects suburban municipalities. There have been several sub-post offices, and one in particular, at which a great deal of

congestion has taken place simply because no other post office can be located closer than one mile.

There is just one more thing I wish to bring to the minister's attention, and that is the question of the timing of the mail. A business organization may start—

The Deputy Chairman: I hesitated to interrupt the hon. member, but the resolution before the house is for the introduction of an amendment to increase certain postal rates. I would suggest to the hon. member that this does not give this committee the right to discuss any subject matter which might properly be discussed on the Postmaster General's estimates, but only those which would have some effect upon the cost of operation or the necessity for increasing postal rates.

Mr. Adamson: That is exactly why I brought up this question of postal delivery to business firms. I do not think the average firm would object seriously, at least most of them would not, to paying increased rates if they got their mail at a sufficiently early hour in the morning so the day's work could commence with the delivery of the mail. There have been several complaints that mail is not delivered sufficiently early. As I say, these firms would not object to the increased cost of mail service so long as they received the mail early, because the cost of keeping a business organization sitting around for an hour in the morning is infinitely more than the increase in the postage rate.

I hope that when this increase goes through, as it apparently is, part of the increased revenue will be directed toward getting mail to these business firms early in the morning.

Mr. Macdonnell: It seems to me quite clear that we have drifted into a ridiculous position. When this debate began yesterday certain figures were put forward, and they were queried. They have been disintegrating ever since. In addition to that, tonight we have had the report about which the minister and the hon. member for Notre Dame de Grace told us. We have been given figures of possible savings running into a very considerable amount. If my memory serves me correctly, the figures mentioned must have been a million dollars or more.

This report contains many recommendations. The minister told us frankly that he is beginning to implement them, but it seems to be asking a great deal of members to ask them to take this step at this time when we simply do not know the facts as they exist, and when the minister tells us he hopes he is on the verge of making a good many improvements. It seems to me a most inopportune time to take such a step.

Mrs. Fairclough: This afternoon I was interested in some of the remarks the minister made, and particularly the letters to which he referred from the chamber of commerce in Hamilton and the board of trade in Vancouver. I might tell the minister that he missed a good bet if he was looking for congratulatory messages to the department. He missed the one I wrote to the postmaster in Hamilton complimenting him on the excellent service which he gave me over the Christmas season on mail which had to be redirected because we had changed our place of residence. If the minister had obtained that one, possibly he would have been able to gloat a little bit. The post office has done an excellent job for me, and I give it credit.

However, I might say that while we do have an excellent staff in Hamilton, even an excellent staff can be sabotaged by inefficient administration; and I am very much afraid that is what has happened in a great many centres, because a two, three or six-day delay in the delivery of mail over comparatively short distances is not at all rare. The instances which have been brought up in this house are only a few from the many hundreds which come to the attention of members of parliament from time to time. I am sure members on the government side of the house get just as many of them as do members of the opposition, but perhaps they do not talk about them so much.

I was also interested in the figures which the minister read with regard to the mounting costs of administration and the mounting expenses of the department. While they are interesting, they are to be expected. A nation cannot increase in population three, four or fivefold without all these services increasing to the same extent. Certain it is that we have many more towns and municipalities benefiting by reason of house to house delivery than we had years ago. Certain it is that if tomorrow a municipality makes application to the department and can prove it is of a size that requires that type of service, it would be the minister's duty to see that such service was instituted. We would expect that. It cannot be taken by the same token, however, that this service which is rendered is entirely without any revenue to substantiate it.

All of us were interested in the Woods and Gordon report. The report of the department for the year ending March 31, 1953, has not been in our hands too long. It is only natural that the reference to the services of

a prominent firm of management consultants would whet the interest and certainly the curiosity of an opposition which is charged with inquiring into these very things. Therefore the minister should not feel at all badly that someone should put the necessary hours of work into digging into this report and then produce what he found.

Yes; I can imagine the minister's chagrin that probably these facts were produced before he himself had an opportunity of giving a full report, but it is a fact that four months after this report was received, in the departmental report of March 31, 1953, there is what might be considered a mild sort of boast that considerable progress has been made with changes in organization along the lines suggested. Then in the next paragraph the lines suggested are described rather broadly. As a matter of fact "broadly" is exactly the word used. That is what the report says:

> Broadly, the recommendations provide for greater decentralization of responsibility for operations into the field organization; strengthening and reorganization of staffs at headquarters so that senior officials may be able to devote more of their time and energy to over-all operational study and planning; strengthening of the engineering organization at headquarters to provide the means for time and motion studies, greater designing facilities and the setting up of standards for application throughout the service; intensification of research and planning in the field of transportation; further development of cost controls, so as to make available information on which to base decisions affecting all aspects of the service.

It would be a very incurious person indeed, Mr. Chairman, whose curiosity would not be whetted by this general statement of what the department was undertaking as a result of having received this report.

While I have no intention of quoting the report clause by clause, I might say that every hon. member should be interested in knowing just what savings can be effected by the implementation of the report brought down by a very capable firm of management engineers after months of study. In particular, just to mention one or two items, it would be interesting to know what has been discovered with relation to the cost of government-owned transportation for city delivery as against that provided by private contractors. It would be interesting to know also what has been discovered in the field of tenders, because the minister will remember that on a number of occasions we have discussed tenders in the house.

No doubt under this heading the suggestion would cover a very broad field. We would be interested to know that; we would be interested also to know what has been discovered with reference to the operations of the post office savings bank. It is true that in some centres of this country it is the only bank that is available to the people in that locality, but in a great many other places it is simply an additional service provided in a centre where other banks are and have been operating, and generally speaking take care of the requirements of the citizens of the locality.

I see that in the current report—if I have overlooked it I apologize—no mention is made of the loss in that department for this year, although in 1946 the loss on the operation of the post office savings bank was given as over $260,000. If that was the loss in 1946 I would think you could reasonably expect that it would be half as much again today, and that is a sizeable amount of money. You are getting well up toward half a million dollars.

I should like to quote one or two other very interesting suggestions which were made, and on which we may be pardoned for having reasonable curiosity. We can take the remark which appears on page 33 of the report and which reads:

> The work of the operations branch has over the years increased to the point where the staff at all levels are overloaded with a multitude of routine problems and correspondence.

Then there is another matter which to my mind is most important to a department handling the volume of not only mail but also parcels, all of which pass through the post office. I refer to materials handling. I suppose the whole field of materials handling has received more expert study in the last ten years in industry generally than almost any other phase, with the possible exception of accounting by tabulating machines. If, as is indicated in this report, the materials handling in the Post Office Department is many years behind the times, then we would be interested to learn in what way the department proposes to remedy that situation, and what they estimate the savings to the department will be by reason of accepting these recommendations.

As I said a moment ago, Mr. Chairman, I do not intend to go into the Woods and Gordon report. That does not mean I am not curious about it. On the contrary, I shall watch with great interest for some report from the Post Office Department as to just what has taken place. But I do say that the Postmaster General has probably been given a most unsavoury task. Whether that is true or not, I would say that it is in my estimation a most audacious move to come before this parliament and propose an increase in the postal rates of this nation, to ask the people of Canada to give to a department

something in the nature of $15 million more revenue, when that department has not the least idea what it needs this money for. Neither has it any idea just where it can save a sizeable amount of money, and that despite the fact that they have in their hands, and have had now for some 14 months, an excellent report which might very well have been implemented before this request came to the people of this country through this parliament.

Mr. Hardie: Mr. Chairman, during the last few days there has been considerable discussion from the other side of the house with regard to this suggested raise in postage rates, and it has been said by hon. members on the other side that hon. members on this side have taken very little interest in this matter. The position of the government is not a happy one, and they know it; but when the government has to raise rates by one cent in order to provide services and give its employees dollars and cents and not lip service, we are ready to support the stand of the government in that regard.

During the debate some mention has been made of the 5-cent defeat of this government, but it seems to me that for the last two days the taxpayers of Canada have been paying for campaign speeches by hon. members across the floor.

Another thing that more or less amazed me was the statement by the hon. member for Victoria-Carleton that he could pay 4 cents and get better service than air mail by putting his letter on the train. There are other parts of Canada where we have to pay 7 cents in order to get the same service he gets for 4 cents, and we will be most happy with this 5-cent rate across the board under which we will receive the same service as the hon. member for Victoria-Carleton is getting for 4 cents. I think it is about time we got it.

Resolution agreed to: Yeas, 49; nays, 34.

The Deputy Chairman: I declare the resolution carried. Shall I report the resolution?

Some hon. Members: On division.

Resolution reported, read the second time and concurred in.

Mr. Cote thereupon moved for leave to introduce Bill No. 168, to amend the Post Office Act.

Mr. Deputy Speaker: Has the hon. minister leave to introduce this bill?

Some hon. Members: No.

Mr. Fleming: On division.

Motion agreed to.

Mr. Cote moved the first reading of the bill.

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

Some hon. Members: No.

Some hon. Members: On division.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Harris moved the adjournment of the house.

He said: On Tuesday we shall take up second reading of the bill to amend the acts respecting the Northwest Territories, and then the committee stage of the Criminal Code. Monday and Wednesday being private members' days I shall have nothing to say about them. On Thursday we shall begin with the housing bill and continue until it is completed on Thursday or Friday.

Motion agreed to and the house adjourned at 9.40 p.m.

HOUSE OF COMMONS

Monday, January 18, 1954

The house met at 2.30 p.m.

PRIVILEGE

MR. DREW—REFERENCE TO NEWSPAPER COMMENT ON USE OF POST OFFICE MANAGERIAL REPORT

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege. On Friday at a time when debate was taking place on a motion presented by the Postmaster General (Mr. Cote) certain discussion took place in connection with references to a report which had been made to that department. I raise this question of privilege because of the interpretation which has been placed upon the statement made by the Postmaster General by different newspapers and which might reflect in some way upon the hon. member for Notre Dame de Grace (Mr. Hamilton) and the manner in which this information came into his possession.

I might say that the comment made by the minister would appear to fully justify the interpretation placed upon it; but I see, for instance, a report in the Ottawa *Journal* under the heading "Postmaster Plays Host Unawares". Merely to indicate that that was the general impression, the other newspapers picked it up. I see in the Hamilton *Spectator* of Saturday, January 16, this heading, "Postmaster Cote Pained, Surprised..."

That refers to a statement made by the Postmaster General on Friday after the hon. member for Notre Dame de Grace had made certain references to the contents of a report made to the department by J. D. Woods and Gordon. These are the words of the Postmaster General appearing on page 1175 of *Hansard* of January 15 and referring to the statements which had been made by the hon. member for Notre Dame de Grace:

> I think my hon. friend is a little unfair. After all, I opened the door of my office and he spent the whole day there.

Half humorously and half seriously one of the newspaper reports I read created the impression that a new member in his innocence had almost stumbled on information which had not previously been available. Certainly the information was not previously available but there was no question of his stumbling on it. Certainly there was no question of his using information that had not been available in any manner that did not justify its use. I think it would be most unfortunate if public impressions were left or taken from the *Hansard* record that there was the slightest impropriety or unfairness on the part of the hon. member.

I think that this is of sufficient importance that I should refer exactly to what took place. On Thursday, January 14, the hon. member for Notre Dame de Grace, in an earlier discussion of this motion, said, and I quote from page 1119 of *Hansard* of that day:

> I would suggest that if the minister feels so inclined he might be brave enough to let us have access to the Woods, Gordon report to which he has referred. As I understand it, that was a study of certain aspects of the operation of the post office, and I believe it has never been tabled in the house.
>
> Mr. Cote: It was a managerial report. We only have a few copies, but if my hon. friend will come to my office I will be glad to let him see it.
>
> Mr. Hamilton: I think we might get a great deal of interesting information from it and I shall be delighted to see it. Thank you for the offer.

I would point out that the word "we" appears twice. I suggest that it was not to be supposed that the hon. member was referring merely to a period of entertaining reading to divert himself for a while. It was quite clear that he had a definite purpose in mind and it was information in connection with the motion that he sought.

As the result of that offer by the Postmaster General he visited the office of the Postmaster General. He was not able to complete his investigation on his first visit and he sent a note to the Postmaster General, the original of which I have in my possession. It was written by the hon. member for Notre Dame de Grace; he asked for an answer and the answer was placed on the original note. It is on House of Commons paper and reads:

> Mr. Cote:
>
> I would like to work on the Woods Gordon report again this afternoon. Would you be again good enough to have it made available for my use in your office in the Langevin building this afternoon, starting immediately.
>
> Thanks a lot.
>
> Bill Hamilton
>
> P.S. Would you please confirm this is O.K. to me.
>
> H.

It was returned with the word "Yes" written on it and the initials of the Postmaster General. Pursuant to that, the hon. member for Notre Dame de Grace (Mr. Hamilton) visited the offices of the Postmaster General (Mr. Cote) with a stenographer and in the presence of the secretary of the Postmaster General proceeded to dictate further notations from that report, all of which was known to the secretary of the Postmaster General and to the office staff. It was from these dictated memoranda, taken from this report with its various recommendations, that the hon. member made his statement, and I would point out, Mr. Speaker, that this is more than just perhaps taking exception to an implication of unfairness. I suggest it goes a great deal further. Far from the hon. member for Notre Dame de Grace having stumbled on something, this new member has demonstrated his very great efficiency as a member of parliament and has obtained information that should have been here all along.

I suggest, Mr. Speaker, that there is only one way to end any suggestion of unfairness and that is for the Postmaster General to table the report. I regret being called upon to bring this up in his absence this afternoon but I believed it was necessary that I should do so, because I did not feel it was appropriate that this impression be conveyed any further through the press, quite properly as far as the press is concerned, in the light of the words that have been used. But to the assistant to the Postmaster General or the minister who may be acting for him I would direct the request that they should table the report which covers the administration of the many things that should be done to save money, and that this be tabled so that, before we have second reading of this measure, we may know something of what the situation really is in the Post Office Department and be able to find out exactly what has been done to meet the recommendations which have been made for substantial savings in the Post Office Department, before we are called upon to approve of this increase in the postage rates of this country.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I suggest that the Leader of the Opposition (Mr. Drew) has correctly described what took place. Here was a confidential report made to the minister in respect to the administration of his department. A member expressed some interest in it and the Postmaster General allowed him to see it. I think that most of us who have been here for some time do find it rather surprising that a confidential document having been made available to the hon. member in that way was then used, or extracts from it cited textually in this house, without there being any indication to the minister that there was any intention to make such use of that confidential document.

As to the suggestion of the Leader of the Opposition that the document be tabled, that would be contrary to the general practice. It has always been the practice of governments to get all the information and advice they find it appropriate to secure for the better administration of the departments for which they have responsibility, and it has never been the practice to table those documents. They are not prepared for the purpose of being a subject for discussion in the house. The minister is responsible for the administration of his department and he is entitled to get expert advice as to how the administration can be improved. But it is not the report that can be the subject of debate in the house, it is the way in which the department is administered; and I do not think there is anything unfair in the suggestion of the Postmaster General that he was surprised that a confidential document, having been communicated in that way, should have been made the object of textual citation in a debate in this house.

Mr. Drew: Mr. Speaker, since the discussions on a matter of this kind become part of the record of the house, I think I should point out that this is not a confidential document in the sense of a document that is under restriction on the ground of security or something of that kind.

Mr. St. Laurent: Oh, no.

Mr. Drew: And I would point out that I am unable to see any difference between this document and the Currie report, which was voluntarily tabled by the Department of National Defence last year. I recognize it has been contrary to the practice of this government to table these reports unless they are forced to do so in some way, but I think that practice should be changed and that report should be tabled and tabled forthwith.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I rise to make a comment on this because—

Mr. Speaker: Order. In the first place, if I may be allowed to say so, this question should have been raised by the hon. member for Notre Dame de Grace. That should have been his question, but the Leader of the Opposition chose to raise it himself and I saw that the house was interested in his remarks and therefore allowed him to proceed. I figured that it did not make so much difference at this point since it was raised by the leader of the party to which the

hon. member for Notre Dame de Grace belongs. But, in correcting an impression left by a newspaper, one should not—it being a so-called question of privilege—do more than is necessary to make the correction. But the Leader of the Opposition suggested the report be tabled and in the very last moment of the debate we were not talking about the matter in which the hon. member for Notre Dame de Grace was involved. The matter which was being debated was whether or not the report should be tabled. I think that is a question which could be raised at a later stage. I do not think we should interrupt our proceedings any longer for the purpose of discussing whether the report referred to should be tabled.

Mr. Fulton: Mr. Speaker—

Mr. Drew: Just one moment. Mr. Speaker, I just want to make this observation, not to debate in any way the point you have made, but since this will become part of the permanent record of the house I would point out that what I am referring to is a question of procedure which affects all members, and my own submission is that it was an appropriate course for me or any other member to rise on the question of principle in regard to the propriety of using information obtained in the way the information was obtained on this occasion.

Mr. Speaker: That is a point on which the Leader of the Opposition and I disagree at this time. Does the hon. member for Kamloops (Mr. Fulton) wish to speak?

Mr. Fulton: Yes, Mr. Speaker. I wish to refer to a question of privilege which I suggest is important since it affects the possible course of action of members in dealing with information of this type. It is in that connection that I think the position should be clarified, if not now, certainly at some future time, because my own connection with this matter is that the hon. member for Notre Dame de Grace came to me on the same day he went to the Postmaster General's office, and we discussed together the question whether or not it was proper for the hon. member to use in the house extracts which he might obtain from that report.

It is that aspect of the matter which I think is of importance to every hon. member. In the course of our discussion it was my suggestion that I certainly would follow this course myself unless some ruling or authority was laid before us which indicated that it was not proper. I suggested to him that unless the Postmaster General laid down some conditions under which he would permit the hon. member to see the report, or unless the report itself were marked confidential, I felt that any hon. member who says in the house "I want to see a report", and is given access to that report, is entitled to repeat in the house what he finds in that report.

In view of what the Prime Minister (Mr. St. Laurent) has said about some surprise being felt that a report made available under these conditions should be quoted from, I think this is a matter that hon. members are entitled to have threshed out. My own view is, as I have said, that unless there is a condition clearly laid down as to the terms on which the report will be made available, or unless the report itself is marked confidential, then an hon. member should be free to quote from it once he has seen it.

MR. ZAPLITNY—REFERENCE TO PRESS REPORT CONCERNING AUTOMOBILE ALLOWANCE

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I rise on a question of privilege. The Winnipeg *Free Press* of January 15 issue carried a news item attributed to the Canadian Press.

The item refers to the government's proposal with regard to the indemnities of the members of this house and the salaries of the cabinet ministers and the leader of the official opposition. In referring to the indemnities of members of parliament, this news item states that the members, in addition to the indemnity of $4,000 and the expense allowance of $2,000, also receive an automobile allowance of $2,000 annually. This statement, of course, is obviously incorrect. Only members of the cabinet and the Leader of the Opposition receive the automobile allowance.

I raise this question in order that the public may have the correct facts in view of the lively interest in this question now being displayed in newspapers across Canada.

QUESTIONS

CANADIAN ARTHRITIS AND RHEUMATISM SOCIETY

Mr. Patterson:

1. Has the government, in previous years, made any grant or grants to the Canadian Arthritis and Rheumatism Society?

2. If not, is the government considering the advisability of making any such grant, or grants this year?

Mr. Martin:

1. Yes. In 1948-49 a grant of $60,238 was made under the national health grants program to the Canadian Arthritis and Rheumatism Society to assist it in getting organized.

The provincial branches of the society also received grants funds, as follows: 1948-49, $19,029; 1949-50, $14,126; 1950-51, $54,807; 1951-52, $47,644; 1952-53, $49,983; 1953-54, $135,926, (estimated).

2. See answer to No. 1 above.

ARMED FORCES ENLISTMENTS

Mr. Harkness:

How many men enlisted in each of the years 1951, 1952 and 1953, into the (a) Royal Canadian Navy; (b) active forces Canadian army; (c) the Royal Canadian Air Force, had prior service with sea cadets, army cadets services and air cadets?

Mr. Blanchette:

Figures for 1951 are not available. The following number of men enlisted in the Royal Canadian Navy, Canadian Army active force and the Royal Canadian Air Force with service in the sea cadets, army cadet services and air cadets:

	1952	1953[1]
R.C.N.	391	184
Army	734	421
R.C.A.F.	715	532
	1,840	1,137

[1]Figures for 1953 are for the period January 1 to September 30.

TUBERCULOSIS CONTROL GRANT

Mr. Proudfoot:

1. What effect, if any, has the federal tuberculosis control grant had on the lowering of the tuberculosis death rate in Canada?

2. What factors, if any, may have contributed to this decline?

Mr. Martin:

1. The moneys made available by the federal government under the tuberculosis control grant have made it possible for the provinces to expand more rapidly their existing services and to establish new services of various kinds where these are deemed desirable.

The death rate from tuberculosis has dropped from 37·3 per 100,000 population in 1948 to 17·1 per 100,000 population in 1952.

2. (a) Early diagnosis through increased mass X-ray surveys, widespread hospital admission chest X-ray examinations, and increased use of B.C.G. vaccine.

(b) More and better treatment facilities such as provision of extra hospital beds, the free distribution of streptomycin and other related drugs supplied to sanatoria, and the increased use of newer surgical methods of treatment.

All these factors have been assisted by the use of moneys made available to the provinces under the national health grants program.

PRIVATE FREDERICK JOSEPH BURKE

Mr. Knowles:

1. Has the report of the inquest into the death at Petawawa of the late Private Frederick Joseph Burke, been studied by officials of the Department of National Defence?

2. If so, by whom?

3. Have any reports of such studies been made? If so, what is contained in such reports?

4. Have any orders been issued as the result of such studies? If so, what are such orders?

Mr. Blanchette:

1. Yes.

2. By senior officials responsible for personnel, disciplinary and medical matters.

3. Yes. The contents of reports made by officials within the department for departmental use are confidential and privileged.

4. Yes. Assault courses as a form of exercise and training for personnel in detention barracks have been discontinued.

PAUL RICKEY

Mr. Diefenbaker:

Has the government given consideration to recommending to Her Majesty the Queen that she confer an appropriate honour or decoration on Paul Rickey of Winnipeg, Manitoba, for his courageous conduct during the month of December?

Mr. Chevrier: Mr. Speaker, I should like to answer this question orally. Following news of the precautionary landing north of Winnipeg on December 21 of pilot Paul Theodore Rickey, and his subsequent gallant behaviour in protecting his passengers, I proceeded to recommend to the Secretary of State (Mr. Pickersgill) that consideration be given to an appropriate award being made to pilot Rickey in recognition of his courage and resourcefulness under extremely difficult conditions. The Secretary of State has agreed to refer the recommendation to the awards co-ordination committee for consideration.

EMERGENCY POWERS ACT, ORDERS IN COUNCIL

Mr. Diefenbaker:

How many orders in council have been passed under the provisions of the Emergency Powers Act, since the 1st day of April, 1953?

Mr. St. Laurent:

One.

Questions

ORDERS IN COUNCIL, 1952 AND 1953

Mr. Diefenbaker:

How many orders in council have been passed in each of the years 1952 and 1953?

Mr. St. Laurent:

	1952	1953
Orders of the governor in council	4578	2033
Minutes of the treasury board approved by the governor in council	4974	2045

NATIONAL HEALTH PLAN—CITY HEALTH SERVICES

Mr. Cavers:

1. Have any major cities in Canada received assistance under the national health program towards the operation of city health services?

2. If so, what were the grants and services for each city?

Mr. Martin:

1. Yes.

2. The health departments of the following cities have been assisted as follows:

City	Total grants	During period	Services
	$		
Halifax	601	1952-54	Health education
	19,276	1951-52	Poliomyelitis program
Quebec	127,906	1950-54	Child and maternal health
Toronto	95,789	1949-54	Mental health
	20,216	1949-54	Tuberculosis case-finding
	53,101	1949-54	Preventive orthodontic service
	32,815	1949-54	School audiometric service
	41,092	1951-54	Pilot demonstration in public health
Winnipeg	105,215	1949-54	Mental health
	49,709	1949-54	Chest X-ray surveys
	126,293	1949-54	Sanitation, food and dairy inspection
	34,306	1951-54	Public health nursing
	9,589	1948-53	Nutrition
	6,546	1950-54	School health
Saskatoon	49,679	1948-54	Public health nursing
	2,442	1948-54	Infant hygiene
	32,213	1948-54	School health
Regina	32,953	1949-54	Public health nursing
	3,968	1952-54	Sanitation
	16,525	1949-54	Mental health
	3,947	1953-54	Child health
Calgary	37,337	1949-54	Public health nursing
	15,082	1949-54	Preventive dental service
	14,751	1950-54	School health
	1,763	1953-54	Sanitation
Edmonton	28,662	1950-54	Public health nursing
	10,602	1950-54	Sanitation
	2,569	1952-54	Preventive dental service
	18,160	1952-54	School health services
Vancouver	28,811	1948-54	Health statistics
	75,633	1948-54	Mental hygiene
	76,657	1948-53	Tuberculosis rehabilitation
	103,262	1948-54	Dental hygiene
	131,483	1948-54	Public health nursing
	15,099	1948-54	Child health
	1,751	1948-52	Public health education
	6,063	1948-52	School health services
	90,166	1948-54	Environmental sanitation
	25,591	1948-54	Nutrition

GOVERNMENT COMMUNICATIONS, B.C.—EQUIPMENT AND COST

Mr. Fulton:

In connection with the government telegraph and telephone system in British Columbia and the Yukon:

1. How many telephones are there in use on the whole system?

2. How many exchanges, with how many switchboards respectively, and where is each located?

3. How many poles?

4. How many miles of wire?

5. How many miles of copper wire?

Questions

6. What is the net cost (installed) of the above totals of telephones, exchange switchboards, poles (with insulators and pole hardware) and wire respectively?

Mr. Chevrier:

Mr. Speaker, this question and the one following have heretofore been on the order paper and I have answered them by writing to the hon. member at some length. I now have with me the answers which I should like to table but I should like to say that the answers do not contain all of the information included in the letter which I wrote to my hon. friend. However, they are an attempt to answer the questions to the best of the ability of my officers. My understanding with the hon. member was that if I would proceed to answer these questions in that manner, he would then withdraw the notice of motion which appears on the next page. Subject to that understanding I now table the answers to these two questions.

1. 4,720 as of 30 October 1953.

2. Exchanges are located at the following points (where multiple switchboard positions are in operation the actual number is indicated after the place name): Alert Bay, Alexis Creek, Alice Arm, Ashcroft, Bamfield, Bella Coola, Burns Lake, Clinton (2), Fort St. James, Gibson's Landing, Hazelton, Kelsey Bay, Kildonan, Lillooet, Lytton, Massett, 100-Mile House, Port Alberni, Port Clements, Port Hardy, Port Renfrew, Queen Charlotte city, Quesnel (2), Sechelt, Smithers (3), Terrace (2), Tofino, Ucluelet, Vanderhoof, Wells, Williams Lake (2).

3. There are 3,150 miles of pole line at approximately 35 poles per mile—110,250.

4. 17,661.

5. 11,354.

6. Separate net cost of telephone plant not available.

GOVERNMENT COMMUNICATIONS, B.C.—REPEATER STATIONS

Mr. Fulton:

1. Are the repeater stations on the northern British Columbia and Yukon lines of the government telegraph and telephone system included in the sale of the said system to the British Columbia Telephone Company and Canadian National Telegraph Company?

2. If so, to which company will they be sold?

3. By whom will they be operated?

4. How many such stations are there, where are they located, and when were they built, respectively?

5. What was the total cost of construction?

Mr. Chevrier:

1. Yes.

2. Canadian National Telegraphs, 4; British Columbia Telephone Company, 3.

3. Canadian National Telegraphs, 4; British Columbia Telephone Company, 1.

[Mr. Fulton.]

4. 7; One each at 150-Mile House, Bella Coola, Kleena Kleene, Prince George, Burns Lake, Woodcock and Prince Rupert; the stations were completed in 1943 and 1944 except for two new staff houses built in 1953 at 150-Mile House.

5. Approximately 685,500 including latest available figures on the two new staff houses at 150-Mile House and excluding repeater equipment originally installed at Bella Coola and Kleena Kleene.

QUESTION PASSED AS ORDER FOR RETURN

INCOME TAX—CONVICTIONS

Mr. Ellis:

1. How many Canadian citizens have been convicted for failure to pay income tax, during each of the past ten years?

2. What was the total amount of fines imposed as a result of the said convictions, in each of the last ten years?

3. How many convictions resulted in jail sentences, in each of the last ten years?

MOTIONS FOR PAPERS

GOVERNMENT COMMUNICATIONS, B.C.—SALE

Mr. Fulton:

For a copy of all correspondence, telegrams and memoranda exchanged between the government, the department or Minister of Transport, or any other official or agent of the government on the one hand, and (a) the British Columbia Telephone Company; (b) the Canadian National Telegraph Company, on the other hand, regarding the sale to the telephone company and the telegraph company respectively of the government telegraph and telephone system in British Columbia and the Yukon.

He said: By leave of the house, Mr. Speaker, may I withdraw this motion pursuant to the arrangement to which the minister has referred.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Motion withdrawn.

MACHINERY AND SUPPLIES—REMISSION OF TAXES

Mr. Diefenbaker:

For a copy of all orders in council and treasury orders issued since April 1, 1950, whereby customs duties or sales tax or both were remitted in excess of $1,000 in each case on supplies or machinery imported into Canada for (a) construction purposes generally; (b) oil and/or gas line construction; (c) the use of public utility distribution systems.

VANCOUVER—SEA ISLAND BRIDGE

Mr. Goode:

For a copy of all correspondence, telegrams, memoranda and other documents exchanged between the government of British Columbia and

any department of the federal government from January 1, 1952 to date, regarding a request from the government of British Columbia for federal aid in the construction of a bridge between Vancouver and Sea Island.

Mr. Winters: Subject to the usual reservation about permission from the province with regard to their correspondence.

Mr. Speaker: Subject to this reservation, is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

INCOME TAX ACT

PROPOSED AMENDMENT WITH RESPECT TO MEDICAL EXPENSES

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this house, the government should give consideration to the advisability of introducing legislation amending the Income Tax Act so as to remove the 3 per cent limitation from the section which makes provision for the deductibility of medical expenses for income tax purposes.

He said: Mr. Speaker, the subject matter of this motion is one which is familiar to all members of this House of Commons. Indeed, I am sure that its terms are familiar not only to those who were here in the last parliament but also to the new members of the house, for it is a subject that is quite familiar to the people of this country from one coast to the other.

As hon. members know, in the Income Tax Act there is a provision which permits income taxpayers, under certain conditions, to make a deduction from their taxable income in respect of medical expenses. However, it is important to note the conditions under which that right is extended. In the main, those conditions are three in number. In the first place, only those medical expenses can be deducted which meet the definition of "medical expenses" set out in the Income Tax Act. In the second place, there is a ceiling as to the total amount of medical expenses that any one taxpayer can enter when filling out his income tax form. In the third place there is the condition that an income taxpayer can deduct only that portion of his authorized medical expenses which is in excess of 3 per cent of his gross income.

Now, Mr. Speaker, I think it should be made clear that, although hon. members may have views on each of these three conditions that attach to the deductibility of medical expenses for income tax purposes, the resolution before the house this afternoon asks for a change in only one of these three conditions. For my own part, I have no serious objection to the condition in the act having to do with the ceiling as to the total amount of expenses that one can claim as a deduction. That ceiling was raised in the budget of 1952 to the figures that are now in the act, and although there may be some members of the house who think the ceiling should be higher, I for one feel that that part of the provision respecting medical expenses is reasonable, and I do not suggest that the ceiling should be raised.

However, with regard to the definition of medical expenses I think that there is room for improvement, and despite the fact that I do not include suggestions respecting the definition of medical expenses in the motion before the house this afternoon I think the definition of medical expenses should be amended. At the present time that definition is such that it restricts a taxpayer mainly to amounts paid to doctors, dentists, nurses and hospitals, together with the right to include expenses for certain specified drugs. There are one or two other items that are included in the definition but there are many things that are not included. For example, at a time of illness many a family is faced with other expenses that can be quite substantial. The need for extra help in the home can be a very real medical expense occasioned by illness. The food budget can go out of line because of illness in the home. These matters are not taken into consideration at all when it comes to medical expenses for purposes of the Income Tax Act.

Likewise, spectacles and hearing aids are not allowed as medical expenses although a dentist's bill is allowed as a medical expense even though that bill may include the cost of dentures which it seems to me are comparable to spectacles or a hearing aid. I mention these shortcomings in the definition in passing so that I can point out that there is a field there in which something should also be done, and also so as to draw a line and make it clear that, so far as the motion before the house this afternoon is concerned, it asks for just one change in this section of the Income Tax Act. My motion asks that what is now known as the 3 per cent floor be abolished and that all medical expenses right from the first dollar up to the ceiling in the act be allowed as medical expenses for one computing his income tax at the end of the year.

Hon. members are, I am sure, quite aware of the history of this very important provision. The right to deduct certain medical expenses was first put on the statute books

in time to be effective for the calendar year 1943. At that time Mr. Ilsley, who brought it in, provided that only those medical expenses could be claimed which were in excess of 5 per cent of one's gross income. It was an acceptable provision to have, but we on the floor of the house soon began contending either that the 5 per cent floor should be lowered or that the floor should be wiped out altogether. As I have indicated before, we had a very interesting experience in connection with this matter in 1944. That year there was no proposal in Mr. Ilsley's budget speech or in his budget resolutions to do anything about the 5 per cent floor, but when we were in committee on the budget resolutions there were many requests from the floor of the house asking that the 5 per cent floor be either abolished altogether or at least reduced.

On that occasion we had support from all quarters of the house including very interesting and significant support from the present member for Ottawa West (Mr. McIlraith), and on one point from the hon. member who is now Minister of National Revenue (Mr. McCann). At any rate, despite the fact that there had been no proposal to do anything about this point in Mr. Ilsley's budget speech or budget resolutions, he did respond to the representations made during the course of the debate and brought in a resolution later in the 1944 session which reduced the floor from 5 per cent to 4 per cent. It was one of those occasions few and far between when the government right during the course of the session made some concession to the arguments put forward on the floor of the house.

The 4 per cent floor remained at that level until last year. In the meantime some of us kept on arguing that just as 5 per cent was too high so 4 per cent was too high. We kept on arguing that the nature of medical expenses is such that they should be on the same basis as charitable donations and that they should be allowed deductibility right from the first dollar up to whatever limits are set in the act. For a number of years it was a case of a few voices crying in the wilderness until 1950 and 1951 when considerable support developed in the house for our contention that the 4 per cent floor should be wiped out. The high point in the support for the contention that the 4 per cent floor should be wiped out was of course reached on March 26, 1952, when my private member's motion, worded similarly to the one before the house today, was passed unanimously by the house.

I do not intend to take any time arguing about technicalities on which we have spent time before. I recognize that my motion merely asked the house to express the view that the government should consider the advisability of removing the 4 per cent floor. I make the point, however, that that is all that a private member's motion can ask when money is involved, and I make the point that usually when the government allows a motion of that kind to pass it means that the government is favourably disposed to the substance behind that motion. Despite the unanimous support that the house gave to my motion on March 26, 1952, the present Minister of Finance (Mr. Abbott), who was Minister of Finance on that occasion, ignored that idea when he brought down the budget a short time later. As a matter of fact, not only did he ignore the express wish of the house that something be done about the removal of the 4 per cent floor, but he left the floor as it was and raised the ceiling. In other words, he did nothing to help the little fellow but did something to help the big fellow by raising the ceiling.

I pause, having referred to what happened on March 26, 1952, to remind the house that, in addition to the support we got away back in 1944 from the hon. member for Ottawa West and the present Minister of National Revenue, in 1952 we had the spoken support on the floor of the house of the hon. member for Rosedale (Mr. Henry), the hon. member for Portneuf (Mr. Gauthier), the hon. member for Charlevoix (Mr. Maltais) and the hon. member for Skeena (Mr. Applewhaite) as well, of course, as the support of the present Minister of Fisheries (Mr. Sinclair), who was then parliamentary assistant to the Minister of Finance. It is interesting to note that all those members who openly supported this important resolution are back in the House of Commons once again. I hope that their support for this proposition will be evident today as it was in 1952.

As I pointed out, Mr. Speaker, despite the stand taken by the house on March 26, 1952, to the effect that the government should give consideration to removing the 4 per cent floor, nothing was done about it by the Minister of Finance when he introduced his budget a few days later. Of course, that did not mean the end of this campaign so far as I was concerned. I put the same motion on the order paper the next year, in 1953, and it was again debated. On that occasion however, as the hon. member for Greenwood (Mr. Macdonnell) will recall, the debate was rather short-lived. It occurred on January 12, 1953, and *Hansard* records that I made my speech arguing that the 4 per cent floor should be removed. Then the Minister of

Finance made a reply, at the end of which he simply moved the adjournment of the debate. I mentioned the hon. member for Greenwood because he was one of those who were rather shocked at the procedure being followed.

We objected to the action of the minister in moving the adjournment of the debate because that prevented others from speaking on this important question and prevented the house from taking a vote on the motion itself. We did our best to show our justifiable dislike for that procedure by forcing a vote on the minister's motion to adjourn the debate. The minister being on the other side, we lost that vote. I hope that course will not be followed today, but that the government will permit this debate to continue and will let the house make up its mind whether or not this motion should be passed. I hope we can count on the consistency of those members who supported the motion in 1952, and that they will support it again today. I hope all those members who helped make it a unanimous expression in 1952 will agree that this motion should be passed today.

I keep referring to the motion before us today as though it were exactly the same as the motion in 1953 or 1952. There is one significant difference. Despite the fact the Minister of Finance gave this debate a short life in 1953 by moving the adjournment of the debate, he paid some slight attention to the motion when he brought down the budget on February 19 of last year. As hon. members will recall, that was the occasion when cyclical budgeting brought the minister around to the idea of making certain tax reductions and certain concessions, for the election was not far off. He introduced a resolution lowering that 4 per cent floor to the figure of 3 per cent. It is the 3 per cent figure which will apply for the tax year 1953. In other words, when the taxpayers, in a month or so, start making out their income tax returns they will be able to deduct medical expenses in excess of 3 per cent of their gross income.

Well, that is good, Mr. Speaker. We are making progress. We started out with 5 per cent, then it was made 4 per cent and now we have it down to 3 per cent. It does seem strange that so many bites have to be taken to implement what, in my view, is unquestionably a matter of correct principle. I hope we will not have to wait for two or three more elections to get three more bites in order to remove the 3 per cent floor. Surely, it is time to face up to the principle in this matter and completely wipe out the floor.

One of the arguments that the minister keeps using against this proposal to remove the floor is that there is a certain average of medical expenses which people have to pay. In his view, income tax deductibility should be allowed only when medical expenses get above that average. I dislike referring again to a story I told once before. However, it is the minister's own story, and I think it is a good one. I think it drives home the point better than half an hour of argument. It is the story of the occasion when the Minister of Finance was in conversation with the late deputy minister of finance, Dr. Clark. Apparently Dr. Clark was saying something about averages, and the minister asked him if he had heard about the man six feet tall who had drowned in a body of water the average depth of which was only five feet. I think the minister's own story makes the point very well. These averages are no help to a person who has even the average expenses, let alone the person who has expenses far above them.

In addition to that, I suggest to the minister and to the government that they cannot continue using this idea about averages because as time goes on people are spending more on medical expenses than in years gone by. The manner in which we live may be responsible for that, or perhaps it is that medical science is developing and there are more ailments known with which doctors and hospitals can deal. Whatever the reasons, we are spending more. I suggest that the average portion of our expenses that Canadians are spending on health is going up all the time. Health is important, and it is a good thing that we should devote an ever larger portion of our income to the maintenance of good health. At the same time we are spending more, the minister is prepared to lower the exemption from 5 per cent to 4 per cent and then down to 3 per cent.

If the 3 per cent floor is based on average expenses, according to his reasoning he should be consistent and raise the floor instead of lowering it. I am mighty glad he has not thought of it, and I hope I have not put the idea in his head. The fact is that the argument really carries no further validity, in view of the fact the government has not given any figures to which to tie this reduction from 4 per cent to 3 per cent. It seems to me, Mr. Speaker, that the arguments against this proposal, which were never valid, are disappearing one by one. I hope that in this session, even though it is three or four years before an election and the time when tax concessions are made, we will have recognition of this principle and that something will be done about the matter.

I have done this perhaps several times when I have raised this question, but I think I shall have to do it again. I have given a few examples to show what happens to a taxpayer, on the one hand, if he makes a certain contribution to charity, and on the other hand, what happens if he incurs that same amount of medical expenses during the course of a year. In both cases there are ceilings as to the amounts one can claim by way of income tax deductibility. But in the case of charitable donations, one is allowed, as a deduction, the first dollar one gives away, provided a proper receipt is obtained for it. In the case of medical expenses, however, one does not get the first dollar or the first ten dollars, in fact one does not get any dollars allowed until one gets above 3 per cent of the gross income.

Let us take the case of a married man without any children. Let us suppose it is a case where the income is $200 a month or $2,400 a year. If that man has no exemption other than the statutory one, the total amount of tax he would pay for the year 1953 would be $72. That includes the old age security tax. I might add that throughout these examples I am using the rates which people will have to pay by April 30 of this year when they file their income tax returns for last year's income. Now, if that taxpayer has medical expenses during the course of the year amounting to $200 the tax saving he will receive against that $72 is $23.04. One arrives at that by taking 3 per cent of his gross income of $2,400, and then giving him a deduction on the portion in excess of that.

However, if this same taxpayer who would receive a saving of $23.04 in lieu of $200 medical expenses were to give away $200 to approved charities, the tax concession he would get for that in the year would be $36. I have no objection to the tax concession made in respect of charitable donations. But it does seem to me that the treatment accorded in respect of charitable donations made voluntarily should be the same treatment accorded to medical expenses made involuntarily.

Let me take the case of a married man with a wife and two children, having a total income of $300 a month or $3,600 a year. Let us assume in this case medical expenses of $300. If this couple did not have medical expenses or any other allowable deduction they would pay on their 1953 income at the end of April the sum of $240. For medical expenses of $300 they will get a tax concession of $38.40. But if they gave away to approved charities the same amount of $300 their tax concession would be $60. This couple is given $60 by way of tax relief for giving away $300, but a concession of only $38.40 by way of tax relief if they have to pay $300 in medical expenses.

Bear in mind that no question is raised as to the average amount people give away to charities; that deductibility is allowed right from the first dollar. But in the matter of medical expenses the question of the so-called average is raised.

Let me go on and take another example. In this instance I shall work it out for a married couple with two children, and an income of $5,000 a year. In that case the gross tax is $537.50. If they had medical expenses of $500 in the year they would get tax relief of $78.75, but if instead of medical expenses of $500 in that year they had made charitable donations of the same amount they would have tax relief of $112.50. Let me repeat those figures: $112.50 tax relief if they give away $500 but only $78.75 if they are faced with the necessity of paying medical expenses to the same amount.

Then let me go down the scale again to the married couple with two children and an income of $200 a month or $2,400 a year. In that instance their gross tax, without any special deductions, would be just $18 a year. Let us suppose that they have medical bills in that year amounting to $100. The tax saving given on that $100 is only $5.04; but if they gave away $100 in the year the tax saving would be $18.

Again let me take the case of a married couple with two children and an income of $3,000 a year. In that instance the gross tax would be $126. If they have medical expenses of $100 a year their tax saving because of this 3 per cent floor would be only $1.80. But if they gave away $100 in the year their tax saving would be $18, ten times as much.

Depending upon the examples, the relationships differ. However, I draw particular attention to this example, using figures which I suggest are not uncommon. I refer to the couple with two children and an income of $3,000 a year, with $100 to be paid either as medical expenses or by way of charitable donations. Yet, because of that 3 per cent floor, this family would get ten times the tax relief for the contribution of $100 that it would get for the same expenditure by way of medical expenses. It is only $1.80 in one case but $18 in the other.

Without going into detail, the married couple with a salary of $3,000 a year and with four children, spending the same amount of $100, would be treated in exactly the same

way—$1.80 tax relief for $100 of medical exenses but $18 tax relief for $100 charitable donations.

It seems to me that the unfairness of this floor, and what it does to the taxpayer with medical expenses, as compared with what it does to the taxpayer who makes church and charitable contributions must surely be obvious to everyone. It has been obvious to members in the past. It was obvious in the debates prior to 1952. I know many members spoke to me in those days and suggested that this was a case that surely should be met by the government. It was obvious to members in 1952 when they supported the motion calling upon the government to consider the removal of the floor, and certainly it was obvious to the people of Canada that this change should be made, because it was a matter of considerable interest in the press—and particularly in that year when the house expressed its view, and when the government flew in the face of that view.

I urge the house on this occasion to give its approval once again to the motion. And this time I hope when that has been done the government will take that expression of opinion on the part of the house much more seriously than it did in 1952. In fact, I think it should be taken more seriously than it was in 1953 because, although the minister did something in that year when he reduced the floor from 4 per cent to 3 per cent, it must be remembered that that action was taken on the eve of an election. And, even so, it was not good enough.

Not only do I contend for the resolution on the ground of its essential fairness, which I think is borne out by the comparative treatment I have indicated as between medical expenses and charitable donations, but for the other reason I have already indicated, namely that medical expenses as defined in the act do not cover all the bills that hit a family when there is illness in the home. I could refer to some of the other things that are not covered, and make special mention of glasses and hearing aids. I have referred also to the extra cost of help when illness strikes in a home. I would be the first to recognize that it would be pretty hard to work out a definition that would really cover everything, and I recognize in particular the problem with respect to extra help. I understand it might be argued that in some cases such help was really necessary while in others it was not, but that a person of some means might want to spend money in that way.

As I say, I will be the first to recognize these points. But the very fact that you cannot work out a definition that will cover all medical expenses makes it all the more urgent that the medical expenses that are defined, including payments to doctors and hospitals, and the like, should be allowed right from the first dollar. I know of few issues which come before the house in connection with which justice and fairness indicate so clearly what should be done.

Another example of the failure of the present provision to fill the bill has to do with drugs such as insulin. A few years ago when the minister broadened the definition of medical expenses allowable under the act he included insulin and made a great to-do about it as well. I could bring to this house a good many letters from users of insulin who wondered at all the fuss. The fact of the matter is that although they are faced with a heavy cost for insulin during the course of the year, because of what was the 4 per cent floor and is now the 3 per cent floor they find they do not get to that floor or they do not get very far over it, so in many, if not in most cases, that provision for that particular drug is just so many words in the act. It does not mean anything to the persons who are really affected.

The same applies to some other drugs that are mentioned in the act, not to mention the fact that in my view there are still other drugs that have not been included in that definition and which as I see it certainly should be.

Another reason why I contend that this motion should be passed by the house and its substance acted upon by the government is that it moves in the direction in which society is thinking these days. I for one want to make it perfectly clear—perhaps I do not need to as this house knows me well enough—that even if this motion were passed it would not be the last word from me or from this group on matters of health. This is just a drop in the bucket; this is just a small step in the right direction. There is no doubt about it that we want to go on to a program of adequate health insurance and health coverage for the people of this country. It is because it is a step in that direction that I feel the government should at least move that way.

The Minister of National Health and Welfare (Mr. Martin) has got to the point where he not only dislikes my questions about health insurance, he will not give me an answer in substance, or he has even forgotten the number of times he has said that. The fact of the matter is that no less a person than the Conservative minister of health in

the province of Ontario thinks that within five years we will have health insurance or at least hospital insurance covering every person in Canada.

I commend that to my good friend, the hon. member for Winnipeg South (Mr. Trainor), who does not share my views on this question, who thinks that this party has too much to say about health insurance. In fact I will pass this clipping over to him right away which shows what the Ontario minister of health thinks on that question. The hon. member for Winnipeg South says that Dr. Phillips does not say how he is going to bring it about. It is true there are problems to be worked out, but I give that as an example from the extreme right in this country of the way Canadians are thinking. The fact is accepted that the care of the health of the people of this country is something of extreme importance and that more and more we have to make the necessary changes in our economy to take care of the health of the people of this country.

This move that I am proposing is just a little drop in the bucket. But because it is a step in the right direction, because the people of the country have become aware of the unfairness of the 3 per cent floor, I urge that the government delay no longer in taking action on this important question.

As I say, the arguments against it have in my view been pretty well set aside. The argument about allowing only those expenses which are above the normal or above the average is, as I have suggested already, really quite fallacious. I think the minister's story to the late Dr. Clark really sets that aside. So far as any individual person is concerned, if he is hit with heavy medical expenses it is no comfort to tell him that that is just the average, that that is just normal. It is certainly no comfort to tell him that if he had not been hit with that expense and had given that amount away to charity he would have received better treatment from the income tax people.

Another argument that the government has used from time to time is that it would cost a certain amount. Certainly a cut in taxes costs money just as the imposition of a tax raises money. The whole point of any income tax structure is that it should be fair. To say that there is $30 million or $40 million which the government would not get if the floor were wiped out is no excuse for keeping on the floor. That $30 million or $40 million should be made a challenge to the government to find some fair way in which to raise that amount of money.

There was one occasion when the present Minister of Fisheries (Mr. Sinclair) suggested, although I think we cleared the ground between us at least—I mention this in case anyone else wants to use the argument—that we should not go too far with this idea lest we provide too much help for wealthy people. It is always interesting to note the way in which that argument is used. I simply point out that the possibility of wealthy people gaining tremendously or gaining substantially as a result of the removal of this floor is nullified by the ceilings that are in the act. I have no objection to those ceilings. It is not going to be possible when you take away the 3 per cent floor for the rich man to get his doctor to prescribe a trip to Florida and charge it as medical expenses. I suggest that that argument does not apply at all.

This request that I am making is, in the words of the hon. member of Spadina (Mr. Croll) in one of the debates on this matter on a previous occasion, a measure to help the little fellow. In view of the wide support that this measure has had across the years in the country; in view of the wide support it has had in this house, particularly the unanimous support that was given to it in 1952, I urge the house to pass the motion on this occasion.

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to indicate my support for the resolution moved by the hon. member for Winnipeg North Centre (Mr. Knowles). I have supported the same or a similar resolution on occasions before this and have indicated personally my reasons for so doing. The case submitted by the hon. member who has just spoken is pretty complete and does not need too much argument to support it. I think the hon. member has shown quite clearly that there are good and sufficient reasons why the government should listen to the members of the house and remove the 3 per cent floor on medical expenses forthwith. The reasons given by the hon. member, as I recall, were the following.

In the first place, we are doing something for the little man. I agree with that. I do not know of any better way of doing it in connection with budgetary matters than to relieve him of the necessity of paying income tax on medical expenses. I have every respect for the claim of the Minister of Finance (Mr. Abbott) that he is charged with the responsibility of distributing the tax burden fairly. That is quite true, but my own feeling is that he is not distributing the tax burden fairly if he imposes upon the little man the necessity of paying income tax on expenses in connection with medical expenditures within his own family.

The second reason given by the hon. member was that the removal of the 3 per cent floor on medical expenses would then be placing deductible medical expenses on exactly the same basis as contributions to charitable institutions. I see no reason why that should not be done. If we are going to be fair about it a person should receive the same consideration for medical expenses as he receives for contributions to charitable institutions. I believe that that is a good, sound argument.

The third reason given by the hon. member for Winnipeg North Centre was that there is widespread support for it throughout the country and that the principle is fair and just. Certainly I can say that there is widespread support for the removal of this 3 per cent floor on medical expenses in my constituency.

My people have asked me to repeat that this is so, and during the last tour I made of the Peace river country people conveyed to me their desire that I speak in support of the removal of the 3 per cent floor, as we have done on other occasions. I think that since the hon. member for Winnipeg North Centre made such a good case for the removal, I should take time perhaps to supplement that by dealing with some of the arguments used by the Minister of Finance (Mr. Abbott) on January 12 last. The hon. member has, I think, dealt with these to some extent but there are two or three comments I would like to make in addition. I do not want to amplify my comments on this resolution because I think it is important that we keep our speeches as short as possible so as to make it possible for a vote to be taken in the house today.

The minister, speaking I think on the same subject at a time when the Income Tax Act adjustments were before the house, on January 12 last, had this to say as reported at page 900 of *Hansard* for 1952-1953:

> It is all right to pass resolutions couched in these terms, relating to budget matters, if it is understood that they do indicate what they say, in the terms indicated, namely, that the government should give consideration to certain matters. But the ultimate responsibility as to the fairness and the desirability of making these budget changes must rest with the government.

Now, the minister by these words was complaining against the impression that had got across the country in the minds of the people that this house having unanimously passed a resolution in 1952 to the effect that the 4 per cent floor as it then existed should be removed, it was incumbent on the government to take action and remove the 4 per cent in the budget. The people rightly got the impression that that was what should be done, and the people of Canada took it for granted that when there was unanimous approval of a resolution in this house the government would pay attention to it.

Mr. Benidickson: It was a motion to consider.

Mr. Low: I understand, but that is not what was in the minds of all the members who were debating the problem on the floor of this house. What was in the minds of the members when they debated the resolution was that the government ought to remove the 4 per cent floor. It is all very well to sit back and say that all you agreed to was that consideration would be given to it, and that consideration was given to it.

Now, Mr. Speaker, I want to emphasize this very important point. It is the attitude of the government that I do not like, as expressed in these very words. It is the same attitude that Mr. Ilsley, the former minister of finance, gave expression to in this house on a certain occasion when he was confronted with the fact that while the house was in session certain orders in council had been passed, and when we took him to task for it I well recall with what indignation and heat the minister pounded his desk and said, "I want hon. members to know the executive council does not get its power from this house. It gets it from the crown." It is that attitude carried over into a resolution of this kind that we take exception to. I suggest that when members of this house, representatives of the people, unanimously pass a resolution to do a certain thing, then the government ought to take that into consideration and see that something is done. They should not sit back and say: "It is our duty to give consideration all right, but we are the ones who will say whether action shall be taken".

If we are going to have real democracy in this country, then that means there must be government according to the will of the people. If we are not competent, as members representing the people, to express their will, and only members of the cabinet are competent to express will, then I would ask what kind of government that is. It certainly is not a democratic government and I think it is about time we began to pay some attention to the expressed views of the people of this country and particularly of the members of this house who represent the people when they unanimously vote for a certain thing or a certain objective. I think it is high time the government paid strict attention to a vote of that kind and proceeded to carry out its intentions instead of complaining that that sort of resolution should not be passed.

I hope, Mr. Speaker, the government will not take the same view this year and put a block in the way of a vote on this resolution; or, on the other hand, rally the support of the members good and true of the Liberal party, the boys who at the crack of the whip vote the way they are told to vote and see to it that the resolution is voted down. There was a unanimous vote in this house in 1952 on this matter when the floor was 4 per cent, not 3 per cent. The minister last year brought in a budget that reduced the floor to 3 per cent and to that extent it was a move in the right direction. But it certainly did not do what the house gave the minister instructions to do by that unanimous vote. I suggest that the minister's argument is pretty weak. At any rate he is simply repeating what Mr. Ilsley repeated, that the executive council does not get its instructions from the House of Commons but takes them from the crown. Where is the crown in this case?

Mr. Gillis: The governor general.

Mr. Low: Well, of course, that is out of the question. I want to deal just a moment with another matter in this connection. The minister bolstered his argument for failing to remove the 4 per cent floor by using these words, that the philosophy behind this, that is retaining the floor, is that it is quite within the capacity of the ordinary individual to pay the normal expenses incurred for normal medical care or attention, but when this is beyond what can be considered as a normal amount, then and then only should there be special relief.

That is a specious argument and it certainly must have occurred to the minister in his calmer moments that it was so, because he already recognizes the principle of granting exemptions from the very first dollar on for certain living expenses. He gives exemption to single taxpayers in this country of an amount up to $1,000 on income and for married people up to $2,000 of income. Why? Because he figures it requires $1,000 to pay the normal living expenses of a single man and $2,000 to pay the living expenses of a married person. He recognizes the principle and then turns around and says that he has to recognize that there are certain normal expenses which everyone should be asked to pay and therefore it will be only the amount above this normal expense that he could recognize as being deductible for income tax purposes. His argument does not hold in any way whatsoever, and I suggest he is on much sounder ground when he resorts to a third argument, that if he should abolish the 3 per cent floor on medical expenses he will lose a certain amount of revenue. I think he is on pretty sound ground there because I think it is fairly well established that the removal of the 3 per cent might mean a loss of as much as $40 million in revenue. I think perhaps it could be shown the amount would run to that figure. That may not be, but at any rate there will be a fairly substantial loss. But, Mr. Speaker, if it can be shown—and I suggest that it can and already has been shown—that it is fair and just for the government to remove the 3 per cent floor, then I say that the Minister of Finance should go ahead and remove it; and if it requires the sacrifice of $30 million or $40 million of his revenue, I suggest that he make it up by increasing the rates of taxation on those incomes over $5,000. Then he would be covered. He would be far better justified in doing that than he would be to leave this 3 per cent floor as it is. I suggest that there is every good reason why this is the time to remove the floor and to put the taxpayers of this country on the same basis with respect to medical expenses as they are on with respect to contributions to charitable institutions.

I think I have probably said enough about the matter at the moment, Mr. Speaker, to indicate that I am in complete support of the resolution moved by the hon. member for Winnipeg North Centre (Mr. Knowles); and I will just let the matter rest at that.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I have not very much to add to what has been said. I should like to say a few words about the history of this resolution which is somewhat more interesting than that of most resolutions that come before us. The hon. member for Winnipeg North Centre (Mr. Knowles) has made the argument very fully, as he always does. The hon. member for Peace River (Mr. Low) has done full justice to the argument that the government entirely disregarded a unanimous vote of this house. It is only fair to say that at the time that was done the then parliamentary assistant to the Minister of Finance, now the Minister of Fisheries (Mr. Sinclair), in his usual breezy way outlined what was being done and what was not being done by the resolution. This is what he said as reported at page 822 of *Hansard* of 1952, and I would ask the hon. member for Peace River to listen to this carefully because it has to do with what he has just said. These are the words of the Minister of Fisheries:

> . . . I should like to say that the Minister of Finance accepts this resolution for consideration the way he accepts every letter or brief or interview put forward by any group in the country at this time as a proposal that he should consider in the preparation of his budget which will be delivered to this house on the evening of April 8.

Later on I shall have occasion to point out that the hon. member for Winnipeg North Centre agreed with this situation. Of course it is extremely unflattering to the members of this house to realize that a unanimous vote of this house is given just the same consideration—neither more nor less—as any letter or brief or interview put forward by any group in the country. That is not very flattering to us. Let us take, for instance, the chamber of commerce of Aklavik which, as I understand, is now on the move and possibly their deliberations would not be as careful as they might otherwise be. But at any rate, we have the satisfaction of knowing that our representation was to receive—and I have no doubt it did receive—the same consideration as do all the others which have been mentioned. How much or how little that was, we do not know. I spoke briefly of what happened just as the vote was being taken because it was made very clear to the hon. member for Winnipeg North Centre who, as reported at page 828, said:

> I want to say, Mr. Speaker, that I realize full well that the passing of this resolution does not mean the immediate legislative enactment of what it asks for.

That certainly was an understatement. I continue to quote:

> The resolution asks for all that a private member, under the rules of this house, can ask for, namely that the government give consideration to the proposal that the 4 per cent floor in connection with medical expenses in relation to income tax should be wiped out. I take it that if this resolution is passed, since it has won the support of the government, the government will do what the resolution asks . . .

Later on the same page the Minister of Fisheries says this:

> I must make this correction. What the house is voting on is that the Minister of Finance (Mr. Abbott) should give consideration to this proposal.

And the hon. member for Winnipeg North Centre added "That is right".

In looking at this situation, notwithstanding that the impression I think we carried away and the expectations that we naturally entertained were disappointed, nevertheless I think we must realize that technically the situation at the moment was made clear.

I refer next to what happened on January 12, 1953. Looking back I suppose we can say now that in 1952 the government probably let the discussion go a little bit further than perhaps it intended to or a little bit further than it felt, in retrospect, was wise. But in 1953 they took no chance like that because, as I shall point out in a moment, we had what I at that time called the closure. As I read my few words at that time, I have a great deal of contempt for myself, Mr. Speaker, because I did not make my reference to the closure with all the vehemence with which I should have made it. It was much too mild to do any good. There are other members in this house who have what has been well described as natural animosity and they can do that. I think the Minister of Fisheries himself would have done it infinitely better than I did it. It was a poor performance.

Mr. Sinclair: No animosity at all.

Mr. Macdonnell: I used the word "closure" and I have been wondering this afternoon whether we might have closure again, and I feel that I am rather lucky to be on my feet and speaking as I am now speaking. At any rate, what the minister said then—and I am sure he said this with great sincerity—was this. This was almost a year after the unanimous passing of the first resolution. As reported at page 900 of *Hansard* of 1953 he said:

> —I gave my parliamentary assistant instructions that I did not oppose the motion, and my reason for not opposing it was based upon the terms of the motion itself.

Then he read the motion and I now continue to quote later from the minister's speech:

> Now, in the light of subsequent events, I think I was wrong in taking the course I did take, in indicating to my parliamentary assistant that there should be no objection to the passing of the motion. I did it because I felt that it would be wrong and illogical for a minister of finance, at the time budget matters were under consideration, to refuse to given consideration to any proposal.

There again the minister makes it perfectly clear that we are given certain consideration. Our views carry certain weight. They carry the same weight as that of any ordinary unintelligent or semi-intelligent person.

Mr. Sinclair: I know the hon. member wants to be fair to the Minister of Finance (Mr. Abbott). Would he just give the quotation where the minister says he gives exactly the same weight of consideration to these other groups as to the committees of the house?

Mr. Macdonnell: I am going to read that.

Mr. Sinclair: He said "consideration", but he did not say he was going to give the same weight of consideration, which is the point the hon. member is endeavouring to make.

Mr. Macdonnell: I was using his word "consideration" which is the word the Minister of Fisheries has used. I continue with the quotation:

> Every day I am receiving proposals from taxpayers as to how tax laws should be amended; and on that occasion I felt that, in the terms of the

resolution as framed, it should be allowed to pass. I must confess that, in my innocence, I did not realize that it would be represented to the country as being the unanimous opinion of the House of Commons that this should be done.

I am sure the minister said that in all sincerity, but I think it is equally true that, having happened as it did, it was the most natural thing in the world for members of the house to expect that it would carry considerably more weight than it did. The minister's attitude at that time in saying that he thought he had made a mistake the year before and in moving the adjournment of the debate at that time or, in other words, applying closure, showed that he did not want to let himself get into that position again. Having already said that he would consider it further, the minister said finally:

With the assurance which I have just given, that the matter will be considered again this year, I think perhaps it might be appropriate if I were to move the adjournment of the debate.

It was at that time that my protest and the protest of the hon. member for Winnipeg North Centre were made; but the vote, surprising as it may appear, did not support our contention. Those who had voted with us the year before to pass the resolution unfortunately voted for the motion to adjourn, in other words, for what I call closure. Since then, as has been pointed out by the hon. member for Winnipeg North Centre, the minister has made a one per cent reduction of the exemption figure. From figures that he gave elsewhere I understand that that one per cent cost about $10 million. I am assuming therefore that 3 per cent more would cost $30 million. I do not know whether that is actually accurate but I take it that it is roughly so.

I would point out that $30 million would be ·0015, if my arithmetic is correct, or about one sixty-fifth of the expenditure on defence during the current year. In other words, if we could get one sixty-fifth more economy in the defence department we would be able to find the money. Therefore I hope the minister will reconsider the matter. I hope he will not allow his heart to harden because of the fact that an election is two or three years away, and I hope that if he feels he cannot do anything else he will at least do something for the people in the very low income brackets.

The hon. member for Hamilton West (Mrs. Fairclough) made what I thought was a very shrewd observation when she said that medical expenses usually mean other additional expenses. I thought that was a very valid point and I venture to bring it forward again. There is another thing I should like to say.

[Mr. Macdonnell.]

The hon. member for Winnipeg North Centre, with his customary frankness, has said that if he gets this it will merely whet his appetite for more, and his appetite really does not need much whetting; but if we can give this measure of relief it will at least do something to relieve the pressure at this point, and by one small thing and another perhaps we can relieve the pressure to the point that we shall not be forced into some of the extravagant and unworkable demands which some of us think our socialist friends would like to plant on us.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, this being private members' day I intend to exercise my prerogative as a private member to speak on this resolution, and I am glad to join my Conservative friend who has just taken his seat in supporting this silk hat socialist legislation. The subject matter is not a new one, and I often wonder why members sitting on the government side of the house allow so much time to be wasted on a matter that is so small. In my opinion the removal of the 3 per cent floor on medical expenses is a very small matter. The Minister of Finance (Mr. Abbott), in presenting his last budget, pointed out to us that in the lower income brackets there were more than 136,000 families in this country who did not pay taxes. Therefore the number in the lower brackets who would benefit from this proposal is not as great as we might think.

The hon. member for Winnipeg North Centre (Mr. Knowles) and the other members who have just spoken have gone into that side of the question rather fully, and I am not going to repeat what they said. I agree with their arguments. But it is not the 3 per cent floor that worries me so much as the definitions in the act. The amount that one spends on medicine is not deductible and that is something that affects everybody. The angle with which I am going to deal is that moneys paid for health insurance to doctor and hospital schemes are not allowed as deductions for income tax purposes. I am going to take an example close to home, but it applies generally. I want to refer to the contributions that mine and steel workers make to doctor and hospital plans in the part of the country in which I live. The individual contribution amounts to $117 per year and covers complete hospital and medical service.

But the only reason that any of the present schemes are able to function at all is by virtue of the large number contributing to such insurance plans who never receive any benefits from them. Otherwise such schemes could not work. I have made payments to one for about 45 years. It is very seldom

that I have ever consulted a doctor, and I have never occupied a bed in a hospital. There are thousands more like me. If there is a charitable contribution made by anyone in this country it is the contributions made to these insurance plans by those who do not receive anything from them which enable the provision of the services of hospital and doctor for those who need them. On that basis it is certainly a charitable contribution.

On former occasions I have asked the Minister of Finance to consider allowing as deductible for income tax purposes the money paid into recognized doctor and hospital plans in any part of the country. I have no hope that this resolution will pass, but it does provide a chance for members to get up and analyse the problem, and I hope that the minister will give consideration to the different views presented when he is again preparing his budget. The allowing of such payments as a deduction is one thing I want him to think about.

Another point to which I think some consideration must be given has to do with the large amount of money paid by families to drug stores year by year. It is a direct medical expense. In many cases there is a prescription ordered by a doctor. Drugs cost a great deal. Take aureomycin, for example. A man goes to a doctor, is examined by him, and the doctor says that he needs some of these pills. They cost $1 each. The man pays for them but because he purchases that medicine from a drug store he is not permitted to deduct the cost. I am safe in saying that the greatest expenditure that the average low income group family makes in the course of a year so far as health is concerned is the amount of money it spends for drugs in the corner drug store. I think people should be permitted to keep track of such expenditures and allowed to deduct them as a medical expense.

There is also the question of hearing aids which may seem very simple. But the man who has a hearing aid really needs it or he would not buy it. There is not only the initial expense of buying the hearing aid. It must be kept in repair month by month. When it is brought in from the United States in the first place it is taxed. It is quite costly. Then the person has to purchase batteries for it month by month and other little odds and ends in order to keep the equipment operating. In the course of a year a person who has to use a hearing aid will spend quite a little bit of money in keeping it running. I think the minister should give consideration to allowing such expenses as an offset against income tax.

Then there is the question of the man with an artificial leg. He has to buy it, and over the years a great deal of repairs enters into the maintenance of an artificial leg. If he lives in my part of the country, and I suppose the same is true of the western provinces, he has to ship the leg to a regular orthopedic centre in Toronto to be repaired, and such repairs are costly. That is another consideration for a man who is already handicapped by having to wear an artificial limb and provide for its maintenance year by year. Certainly, such a medical expense should be allowable as a deduction from income tax.

Mr. Benidickson: It is.

Mr. Gillis: Repairs to an artificial limb? I am very glad to know it. Some people do not know about it. I have had letters about it.

Mr. Benidickson: It is spelled out in the act.

Mr. Gillis: The purchase is, but are the repairs?

Mr. Benidickson: I think so.

Mr. Gillis: I do not think so. However, I mention it again and when the parliamentary assistant and the minister are looking over the budget they can recheck that point. If it is not covered, perhaps they can write it in.

There is another type of expenditure that has been increasing year by year, to which some consideration should be given. A person is allowed to deduct a doctor's bill if it runs beyond 3 per cent of taxable income. The same applies to the hospital bill and the dentist's. There is another expenditure, however, which in my opinion is becoming quite heavy. Perhaps you have a member of the family sick for a year. You pay the doctor bill and the hospital bill. Medical science, however, is not able to do anything for that person and the person ultimately passes away. Then there is another bill you have to face and that is the funeral bill. Anyone who has had to contend with it in the last few years knows that is a very heavy bill.

Hon. members may say that a person should have insurance for that. Consider the 130,000 people in the lower income tax brackets or the persons on the borderline of the income tax bracket. They cannot carry any insurance. Insurance premiums are not deductible for income tax purposes, and today there are many people who cannot afford to carry insurance because it is too costly. I feel that funeral costs have risen beyond reason. They are a heavy burden. It is the final climax to a whole series of hospital and

medical bills. I feel some consideration should be given to the proposition of allowing funeral expenses under some circumstances to be worked out by the department.

As I said before, I have not any idea—

Mr. Knowles: Will the hon. member permit an interjection at this point? I am sure he would like to put on the record what he probably knows, that the same idea was urged by no less a person than the Minister of National Revenue (Mr. McCann) when he was a private member back in 1944.

Mr. Gillis: That is quite right. There has been some thought on the matter by Liberal members. I stress it again because I think the matter is important. It is a big handicap to the average person in the lower income brackets who may run into a hospital bill. I should like to urge upon the minister and the parliamentary assistant that in particular they look at the money paid into recognized medical schemes across this country, to see if such payments cannot be allowed as deductions from income tax. There is a lot of agitation about it, and I have received some correspondence on it. As I said in the beginning, if there is a charitable contribution made in this country it is that payment. Hundreds of people keep up that type of insurance for those who need it and never receive anything from it. There are many people who pay that $117 per year into these medical schemes, not because it is protecting them or because they get any benefit from it, but to help maintain these institutions that provide medical care for those who are in a less fortunate position.

I think that if members will consider the matter they will be able to think up new angles. I should like to see a vote on this matter to ascertain how the house feels about it. The resolution only asks for consideration.

Mr. Harris: Do not try that again.

Mr. Gillis: The fact that members voted for the resolution would be some encouragement to the minister. I know that if I were minister I would not like to change these acts without an expression of opinion by the members. If the matter were voted upon, the minister would be able to go to the Governor General and say, the members have voted upon this so I am asking Her Majesty's permission to implement the changes in the act. I believe the Prime Minister (Mr. St. Laurent) would "O.K." it if it came back to the cabinet after the Governor General had looked at it, and the members had voted upon it.

[Mr. Gillis.]

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): It is true, as hon. members have pointed out, that this is at least the third session at which the house has had an opportunity to debate this motion. Last year the views of the government were presented by the Minister of Finance (Mr. Abbott), who is unavoidably absent at the moment. He informs me, however, that the views he expressed in *Hansard* for January 1953 are those that he has today.

Something has been said about the phrase in the resolution that the government "give consideration" to this problem. If, under our rules, that were all that could be read into the resolution, or if the conduct of the members of the opposition on other occasions had been different, probably the course which was adopted in 1952 could be followed today. We have approximately 70 new members in this first session of this parliament, and I think that they would probably be anxious to have some information as to the significance of a motion of this kind.

Before referring to events that took place in 1952, in a rather different way from some of the members of the opposition so far, I should like to have something to say concerning the history of this particular section of the Income Tax Act. As has been stated, it was introduced as a new form of deduction in 1942. There was a very good reason for this which has not been fully stated. In looking up the record, hon. members will find that this particular form of deduction was not introduced as a result of any pressure or in fact any suggestion from members of parliament, let alone the opposition members. In 1942 the administration realized that, in consequence of the very high rates of taxation existing at that time, certain taxpayers, faced with unusual and extraordinary medical expenses, would not have remaining with them funds adequate to take care of them and also their normal living expenses and their taxes.

I think that would be fairly evident if I were to remind members of the rates of taxation existing at that time and give some idea as to how 1942 taxes compare with the income taxes applying in 1954. In 1942 a taxpayer with single status had an exemption of only $660 as compared with an exemption in 1954 of $1,000. In the case of a married taxpayer the exemption in 1942 was only $1,200, whereas today it is $2,000. In the intervening years another new form of exemption has been introduced. This has particular significance when we are considering the problem of medical expenses.

An extra exemption has been given to the elderly in our community. Taxpayers over 65 years of age are now provided with an exemption of $500 in addition to the normal exemptions which I have indicated. To an extent this was provided because it is recognized that people of that age probably have unusual expenses, for example medical care, beyond those of younger people.

I would also like to give some comparisons to the house of what income remains in the hands of taxpayers now after paying their taxes in comparison with taxes and the compulsory savings called for in the war year of 1942. A married taxpayer with no dependents in 1942 with an income of $2,500 paid a tax, including compulsory savings, of $651. That same taxpayer today with an income of $2,500 pays only $75 plus $10 for his old age security tax.

A taxpayer married but without dependents in 1942, on a salary of $3,000 was required to pay in tax and compulsory savings the sum of $884. That taxpayer today is required to pay $150 plus $20 to provide for old age security. I am sure some members in the opposition would immediately raise the point that there has been a certain decrease in the purchasing power of the dollar in those intervening years. They might say that the take-home or the left-over pay after taxes in 1954 has not the purchasing power it had in 1942. Let us admit that, and then look at the consumer price index projected back to 1942. Doing this we find that the cost of living since 1942 has increased 59½ per cent. But, looking also at the average weekly wage in 1942, we find that those average weekly wages have risen 100 per cent. Therefore when one compares the left-over income after paying taxes in 1942 as compared with 1954, on an income of $2,500 of a married man without dependents we find that in 1942 it was $1,849 while in 1954 it is $2,415.

Then, despite the warning of the hon. member for Winnipeg North Centre (Mr. Knowles) about using averages, if we can assume that the married man with no dependents and an income of $2,500 in 1942, by reason of the doubling in the average weekly wage is today enjoying an income of $5,000, he has left over in 1954 on his $5,000 income after 1954 taxes the sum of $4,430.

The point I wish to emphasize is that while this was introduced to our income tax structure in 1942 to relieve hardship, it was not intended to be a universal deduction for everyone. Indeed, as I say, it was designed to relieve hardship, and was not intended to create benefit, unless there was more than average medical expense.

This I think was enunciated by the Minister of Finance (Mr. Abbott) last year when he spoke on a similar motion. I should like to quote from page 901 of *Hansard* for January 12, 1953, where the Minister of Finance expressed views on the principle of the measure. He said:

> I think it is unsound, in principle, that normal living expenses of the individual should be paid out of income before tax.

Then he said:

> If one taxpayer gets a concession or a deduction, then some other taxpayer must provide those moneys.

And again:

> The philosophy behind this actually is that it is quite within the capacity of the ordinary individual to pay the normal expenses incurred for medical care or attention, but when those exceed what can be considered as a normal amount then, and then only, should there be special relief. That is the principle which lies behind the law as it stands now.

And he said further at that time, prior to the introduction some weeks later of very substantial tax relief in his budget speech:

> It certainly can be argued that more equitable and widespread tax relief can be afforded in other ways.

When we are considering the equity of the floor of 3 per cent I think it is of interest to consider the similar provisions in other countries, notably in the United States. In that country the floor with respect to medical expenses still remains at 5 per cent, although hon. members are aware that while our floor was 5 per cent in 1942 it has been subject to two reductions, first to 4 per cent in 1944 and now to 3 per cent. That, I think, is an interesting development. While this was introduced in 1942 without any pressure from the opposition, or any suggestions from them, the provision has been steadily liberalized in the manner I have indicated, through reductions in the floor from 5 per cent to 4 per cent and then to 3 per cent.

Also the eligible list of medical expenses allowable under the act has been widened, and now includes insulin, ACTH, liver extract, wheel chairs, hearing aids, artificial limbs, as mentioned by the hon. member for Cape Breton South (Mr. Gillis), and some other items.

Mr. Knowles: Also cortisone.

Mr. Benidickson: Yes, cortisone. Then, in addition to that, there was a very important measure a couple of years ago which provided that bills that would be considered for income tax deductions could be those paid any time within a period of 24 months less one

day. That of course is a very important advantage to the taxpayer in the matter of the consolidation of his medical accounts during that time.

In addition to that there have been very substantial increases in the ceiling referred to by the sponsor of the motion. In 1942 the maximum amount that could be claimed by a single man as a deduction for medical expenses was $400, and for a married man $600, plus $100 for each child up to a maximum of four children. Today, with two or three revisions and greater generosity in the matter of those ceilings, these deductions stand at $1,000 for a single man or $2,000 for a married taxpayer plus $500 for each child, to a maximum of four children.

One can thus see the improvements made here. In another year subsequent to the original statute it has been made possible for a crippled or blind person to claim the expense of an attendant, to the extent of $500 or, alternatively, a blind or crippled person is given a special allowance of $500.

Other forms of concessions to taxpayers have also been provided in this relatively short space of time. Claims against an estate can now be allowed. Medical expenses incurred outside of Canada can be allowed.

Some reference has been made in the debate this afternoon by both the hon. member for Peace River (Mr. Low) and the hon. member for Greenwood (Mr. Macdonnell) to "the little man", what the hon. member for Greenwood called the man in the low income group. I think an examination of the actual dollars and cents involved as far as the taxpayer in the low income group is concerned will show that newspaper comment concerning the advantage of this proposal has been rather exaggerated. I should like to give a few illustrations of just what it means to people in the low income groups if this motion is carried.

A single taxpayer with no dependents with an income of $1,100 would pay a tax of $17 on the 1954 tax rates. The maximum amount of saving obtained for that individual by the removal of this 3 per cent floor would be $5.61. While I am quite positive that this amount would not be without consequence to that particular taxpayer—I am not minimizing that—I think I could emphasize that that surely would not be the difference to that taxpayer between hardship and well-being.

As another example let me take a married taxpayer with no dependents who is just on the borderline of paying taxes with an income of $2,100. The maximum tax saving obtained by that taxpayer through the proposal of the hon. member for Winnipeg North Centre (Mr. Knowles) would be $10.71. A married taxpayer with no dependents having an income of $10,000 would pay an income tax of $1,660 on the 1954 tax rates. With the 3 per cent floor in existence only medical expenses in excess of $300 could be deductible by that taxpayer and the result would be that $78 would be the maximum tax saved by removing the floor. I question whether in any of those instances the removal of the floor would be, as I said before, the difference between hardship and well-being.

We will look at it another way and consider the situation of a married taxpayer with two dependent children under 16 years of age who are in receipt of the family allowance. Supposing this taxpayer has an income of $3,000. The maximum saving provided by this motion would be $15.31. Let us translate that as a percentage of his total income and we find it is just about one-half of one per cent.

I do not want to overemphasize some of the problems that would be faced were this proposal accepted, but one problem is that of administration. All hon. members will realize that any deductions from gross income have to be certificated and carefully examined by officials of the Department of National Revenue. I think hon. members will readily appreciate the almost endless stream of small accounts that would be submitted for examination were all expenses allowed as deductions from income as has been proposed this afternoon.

I think hon. members could easily translate that into administrative cost and appreciate the heavy additional salary costs that would follow compared to the relatively small financial relief which I have indicated would be possible, particularly in the case of the low income group.

Let me illustrate that. As is known, a great number of persons, in the low income tax group particularly, pay their taxes by means of deductions at the source. An employer cannot anticipate what a man's medical expenses are going to be for the year and the tax deduction at the source is therefore made according to the gross income and the normal personal exemptions. It can be imagined, particularly in the case of the low income tax group which several hon. members have been emphasizing this afternoon, what administrative work would be required. Vouchers would have to be submitted and a complete check would be required because almost everybody would be putting in a claim for some rather small medical or drug expenses.

Something has been said about the revenue implications. I have had discussions with officials of the department as to what might be the loss of revenue were this proposal to be accepted. Having had some knowledge of the extensive debates that have taken place in previous years on this question I was quite prepared to give some explanation of how the officials of the department arrived at their estimate, but I do not think that is necessary this afternoon because practically all hon. members of the opposition who have referred to the loss of revenue have come quite close to the figures that our officials indicated to me would be the probable revenue lost, namely something in the neighbourhood of $35 million as a minimum. If we were to think that every taxpayer would be claiming the 3 per cent, on the basis of income subject to taxation last year that would raise the figure to probably $75 million. As I say, hon. members of the opposition more or less all admitted a revenue loss of some $35 million would be involved.

It goes without saying that if there is a loss of revenue it has to be made up in some other way. I remind the house that $35 million is greater than the surplus shown in the public accounts which were tabled here last week for the year ending March, 1953. This is given as some $23 million.

Some reference was made, particularly by the hon. member for Cape Breton South (Mr. Gillis), to insurance against the hazard of medical expense, hospitalization and so on. It is true that in recent years there has been a most conspicuous growth in the number of persons who have availed themselves of the opportunity of insurance in these various forms. Hon. members will recognize that as insurance coverage increases the risk of extraordinary hazard and hardship is more or less eliminated for the insured, and thus the problem is a diminishing one.

I need only remind hon. members of the great growth of such schemes as the Blue Cross and the provision for fringe benefits in union contracts, sometimes provided by the employer and sometimes by the union. These were referred to by the hon. member for Cape Breton South. We know also that in British Columbia and Saskatchewan there is a form of state health insurance. Then there are a great number of people who are the responsibility of the state. I refer to those in the welfare class who either through the municipality or the provinces have their medical expenses borne by the state because of lack of income.

I should like to indicate how rapid this trend has been toward insuring against the hazards of medical expenses. My source of information is an article in the *Financial Post* in November 1953. This article states that the benefits paid by private accident and sickness companies in 1940 amounted to $4·3 million, and that in the short period up to 1952 those benefits had risen to $50·3 million. I am told that the benefits paid in 1945 by the Ontario Blue Cross were $1·9 million. Seven years later they were $18·8 million. One can therefore see that this problem is diminishing as people insure themselves against any extraordinary financial embarrassment as a result of sickness.

The hon. member for Cape Breton South complained that the premiums paid to insure against this form of risk were not deductible under our Income Tax Act law. That is true. But on the other hand the actual amounts paid by that individual, even though insured, if in excess of 3 per cent of his income can be submitted for income tax deduction.

Mr. Knowles: I think the hon. member means the actual amount paid by the association on behalf of the individual.

Mr. Benidickson: The taxpayer can get back the bills which he has submitted to his insurance company and submit these bills to the income tax department if the total paid in twelve months ending in the taxation year exceeds 3 per cent of income. You cannot have it both ways. You cannot deduct the premium and also deduct the expenses.

I would also like to point out that in certain countries where they have health insurance, such as Great Britain and New Zealand, regardless of the way you pay your tax into the treasury to support that kind of a scheme, there is no such thing as a deduction for medical expenses. In Australia I think the maximum that can be claimed is slightly more than $200. This would not be too significant in this country in relation to the resolution.

I want to come to this question of whether or not a motion of this kind can be "considered" by the government. I think the hon. member for Winnipeg North Centre in a previous debate referred to this as an "abstract motion". A member might estimate from that that it is a fairly innocent motion, and one that all members of the house could probably adopt without much hesitation. It is true that in 1952 that attitude was adopted by the Minister of Finance through his instructions to the then parliamentary assistant, the present Minister of Fisheries. He said the finance minister certainly would "give consideration" to this proposal because the budget was only some two weeks off. It is true the 1952 debate on the motion of the hon. member for Winnipeg North Centre

placed emphasis upon the words "give consideration" and his motion at that time received the unanimous endorsation of the house. But I want to indicate, particularly to new members unfamiliar with parliamentary procedure, just what developed as a result of the course followed at that time. The hon. member for Greenwood has made it very clear that the then parliamentary assistant, the present Minister of Fisheries, was watching the debate, as we knew he would, very attentively. Indeed he said he was watching the hon. member for Winnipeg North Centre "like a hawk" and with good reason.

Mr. Knowles: Hear, hear.

Mr. Benidickson: So there will be no misunderstanding as to the extent of the commitment made by the then parliamentary assistant to the Minister of Finance I will read an extract from the debate, found at page 828 of *Hansard* dated March 26, 1952. The hon. member for Winnipeg North Centre was summing up the debate that took place and said:

> The particular point that the house is voting on is the request that the 4 per cent floor be wiped out.

It was at this point that the parliamentary assistant rose and said:

> No, no. I must make this correction. What the house is voting on is that the Minister of Finance (Mr. Abbott) should give consideration to this proposal.

Mr. Knowles replied:

> That is right. The house is voting on the proposition that the minister should give consideration to the wiping out of the 4 per cent floor.

Now, what happened was that the Minister of Finance, I am sure, did give very careful and respectful attention to the resolution. But the budget that was announced some two weeks later failed to meet the wishes of the member for Winnipeg North Centre.

Mr. Knowles: Of the house.

Mr. Benidickson: Of the house?

An hon. Member: You said it.

Mr. Benidickson: The 1952 budget did not make any change in the 4 per cent floor but then what happened? The matter of the emphasis on the words "give consideration", acknowledged on March 26, was abandoned, and on April 22, 1952, in the ensuing budget debate the leader of the C.C.F. party introduced nothing less than a vote of want of confidence by an amendment to the budget in these words to be found at page 1489 of *Hansard*:

> This house further regrets that the government has ignored the wish of this house, as expressed by a unanimous vote on March 26, that the 4 per cent floor under medical expenses deductible for income tax purposes should be abolished.

Some rather strong and even nasty things were said about this rather innocent development in March. I would like to quote some of the remarks made by the hon. member for Winnipeg North Centre on April 23, in the same budget debate, as will be found at page 1537 of *Hansard*:

> . . . the failure of the government to carry out the unanimous wish of the house as expressed on March 26, I can tell him that the people of this country feel that they were tricked.

On page 1539 of *Hansard* for the same date, he said this:

> People outside this house . . . simply understand that the 262 of us, the entire house, expressed a view but then one member in the cabinet rejected that view. The man in the street simply cannot understand such defiance of parliament.

Then he went on to quote a headline from one of four prominent newspapers, and the headline was "Parliament be Blowed". Then on page 1542 the hon. member for Winnipeg North Centre had this to say:

> . . . the government allowed the motion to pass, and to pass unanimously. We had every right to believe that that meant approval of the proposal contained in that resolution.

That is the implication when more emphasis than "give consideration" is expected by the opposition in moving what they describe as an "abstract motion".

I suggest to members of the house that all of us have a great admiration for our British form of government. I think some of us are not envious at all of some other constitutions. Some of these as we know do not make for very stable government. Under some other forms of government close by, as we know, there seems to be a constant tug of war between the executive and legislature. Someone said this afternoon that it is a poor indication of true democracy if we were not free at this stage to vote on a principle of this kind because it involves some $35 million.

The Minister of Finance said last year he was not satisfied that, if he had $35 million of tax revenue to forsake, this was the fairest and most equitable manner of distributing that $35 million. I know he would continue to make that assertion. I think you will agree that he would do so properly, having just concluded, prior to Christmas, an examination of expenditure proposals of the various departments and now being faced with responsibility to raise revenues to meet their total. It is not the proper constitutional procedure for the legislature to tie the hands of the Minister of Finance at this stage by saying that in any form of tax relief or any other budgetary policy he must give prior

consideration to tax relief amounting to some $35 million, a sum which exceeds the actual surplus of last year.

I simply conclude by emphasizing that contrary to what seemed to be the case, the hon. member for Winnipeg North Centre is not really arguing for relief of hardship for any taxpayer. That has been taken care of by the actual provision of relief for the unusually heavy medical expenses of a taxpayer in excess of 3 per cent of income. I repeat, while the amounts involved are by no means inconsequential, I suggest that a saving of $15.30 for the man with the $3,000 income is not the difference between hardship and well-being.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I am not going to detain the house for long, because I am one of those who believe this motion should be settled by a vote of the house so that every hon. member may have an opportunity to express his individual opinion upon it. I am not going to repeat the arguments used by my colleagues who, I think, have stated their case very well. I should like to make one comparison which has been mentioned in this debate, namely the difference in the way deductions are permitted for donations to charitable institutions and the way this deductible part of medical expenses is handled.

It has been pointed out that the deduction for donations to charitable institutions has no floor—it has a ceiling—whereas in this case there is a floor. I think it has been the experience of most hon. members who have had anything to do with checking income tax forms or filling them out, that most business firms allow, in their own private budget, for such things as donations for charity. In other words, it becomes part of the expense of operating their business. In that way it is actually carried on and provided for in the price of the goods or services for which they charge, and thus it is actually passed on to the consumer. That is standard practice. I do not think there is any dispute about that fact.

However, in the case of an individual it is not possible to handle that matter in that way. The individual has to make his donations and contributions and those amounts are taken out of his actual income and out of his purchasing power. There is therefore less justification, as a matter of fact, for permitting the full deduction of donations than there is in the case of medical expenses which may, in some cases, result in a hardship. However, I am not going to go into the details of that matter because it has already been covered.

I should like to devote just a few minutes to the arguments we have just heard from the parliamentary assistant to the minister. It was extremely interesting to me because of the philosophy from which it seemed to flow. In a sense I was rather amazed that, after the hon. member had stated his admiration for our form of government, as he called it—the democratic system, and so on; an admiration which I am sure is shared by all of us, because I personally have nothing but the highest praise for our form of government—he then went on to make a most astounding statement. I do not see how it can be connected with his previous statement. He said it is not the proper procedure or function of a legislature to tie the hands of—I think that is the term he used—or give instructions to the Minister of Finance in the preparation of his budget.

If that is what he meant to say, then it is certainly a denial of the function of parliament as most of us understand it. If it is not the function of parliament or of a legislature to pass on and to make decisions as to what shall be done about the taxpayers' money, either that which the government already has in its possession or which it intends to get, then I do not know what the function of parliament is.

Mr. MacInnis: They should send us home.

Mr. Zaplitny: As is suggested by my hon. friend, they might as well dissolve parliament, send us home, and run the country by order in council. That may be the new philosophy that is creeping into the ranks of the government. If it is, it is a most vicious one. May I just point out that from a famous statesman who is no longer with us we have heard a famous phrase about the supremacy of parliament. In fact one of the first things that got me interested in public affairs was reading some of the debates of the house wherein the late Right Hon. William Lyon Mackenzie King spoke in glowing terms about the supremacy of parliament and used the famous phrase which he was so fond of using, namely "parliament shall decide." I was greatly interested in that type of approach because I agree with it so thoroughly. If we are going to accept the philosophy that parliament shall decide and that parliament is supreme—

Mr. Benidickson: Shall decide at the proper time.

Mr. Zaplitny: At the proper time, says the parliamentary assistant. I am greatly surprised that it should be left to the parliamentary assistant to the Minister of Finance to decide when is the proper time. It seems

to me it is up to the members of this house to decide when they should make their decision, and not have it handed down to them. However, the most serious aspect of the whole thing to me—and I am sure to others outside of this house who read its proceedings—is the position in which the private members of this house are placed. Even to a greater extent than with respect to the position of hon. members who are referred to as members of the opposition, the serious aspect is with respect to the position in which private members on the government side of the house are placed.

I think this philosophy poses to them a challenge which should be met immediately and decisively. In effect, what the parliamentary assistant is now laying down as a philosophy of the government is that the Minister of Finance and in effect the government as a whole—because if it holds good for one department it holds good for them all—shall not accept the advice of the private members of this house nor even, as he stated, seek the advice of the members of this house in making these decisions so far as the budget is concerned. As a matter of fact he also made the statement that in providing for the reduction of the floor from 4 per cent to 3 per cent, it was not done as a result of the advice of this house or of the members of this house, he even went so far as to say, on either side. That statement indicates that even the members who support the government, the private members of the Liberal party, were not consulted; their advice was not asked for or heeded.

Mr. Benidickson: I think the hon. member has misunderstood me. When I said that a certain decision was made without benefit of the advice of the house, I was referring to the introduction in 1942 of this principle for the first time.

Mr. Zaplitny: That makes it that much worse, Mr. Speaker; because not only were the members not heeded in changing the floor that was established but even in establishing the floor in the first place the members of this house, on either side, were not heeded or even asked for advice.

Mr. Benidickson: Of course they were. They had the opportunity to discuss it at the time the budget resolutions were brought to the house.

Mr. Zaplitny: That is the point I am getting at. I am glad the parliamentary assistant is coming to my aid. He is really an assistant for both sides of the house because he has helped me to point out exactly the situation, namely that the only time at which they are permitted to discuss the matter—and I point out the words "permitted", which is a fine word for a free parliament—is when the budget has already been laid on the table or has been announced in the house and it is a matter that has already been decided upon by the government. The members are then permitted to lift the corners of the budget, to take a peek at its contents and to make some comments, but they have nothing to say as to what shall be in the budget.

If that is the attitude the hon. member wishes to take, of course it is not anything that anyone individually can do anything about. But we are still in control of this house as private members, I hope; and it is a fact that there is a majority of members on the government side of the house, members of the Liberal party. I think they should pay some attention to the opinions expressed in the press across this country.

In recent months there has been a great deal of speculation as to what is the usefulness or, shall I say, the function of the private member of the House of Commons. As a matter of fact some very critical words have been used in editorials in newspapers which normally support the government with respect to how private members have acted. They have been criticized for not taking a stand on matters of this kind even though the stand be different from that taken by the members of the cabinet. I am going to plead their case now for a moment, to point out that mathematically it is an impossibility and I think they can be excused. I have worked it out mathematically and I should like to state briefly how it works out.

It appears that it is simply impossible for private members on the government side of the house to express any opposition or take an independent stand. If we start with the figure of 168, which I believe is the present Liberal membership, and deduct 20, the number of ministers in the cabinet, we find that there are 148 left.

Mr. Knowles: Too many.

Mr. Zaplitny: Then of course there are the parliamentary assistants, one of whom has just finished speaking. Naturally we would not expect them to vote against government measures because they are expected to support them. There are 13 at the present time, and if we deduct that figure there are 135 left.

Mr. Knowles: Still too many.

Mr. Zaplitny: I think it is a conservative estimate to say that for every member now

holding the position of parliamentary assistant there are two more who would like to hold it. That makes 26 and subtracting that figure we are left with 109.

Mr. Knowles: Still too many.

Mr. Zaplitny: On the same basis, and I think it is a conservative estimate, there should be another 13 vacancies in the other place; and using the two to one formula again we have to deduct another 26. That leaves 83. There are also certain judgeships that will need to be filled, and if we take a conservative estimate of 13 we come down to 70. This computation of course is done on a mathematical basis, and I want to be fair. I have referred to recent divisions in the house, and I find that when votes have been taken an average of 57 members of the Liberal party have been absent. I am not critical of the fact that they have been absent; I am simply stating the figure which is taken from the record.

Mr. MacInnis: Mathematically subtracting it again.

Mr. Philpott: What is the average for the C.C.F.?

Mr. Zaplitny: Then it also appears—

Mr. Philpott: What is the percentage for the C.C.F.?

Mr. Zaplitny: —that on the average there have been 12 members of the Liberal party who have refrained from voting even though they were here.

Mr. Deputy Speaker: Order. May I remind the hon. member that we are discussing a resolution in the name of the hon. member for Winnipeg North Centre, and I think the present discussion is a little far afield.

Mr. Zaplitny: Thank you, Mr. Speaker. I agree with you. I had got to the point where there were only 13 left. I proceeded to take away 12 and that of course left only one. This one member, who might have been willing to take an impartial, independent and courageous stand on this question, of course had to be given the position of deputy speaker. Therefore we are left in the position where, if an independent and impartial stand is going to be taken by any members of the house, it will have to be by the opposition. I am not saying this in any critical mood. Personally I like my colleagues on the other side of the house very much, and I hope they will prove I am wrong in what I am saying by getting on their feet and voting for the motion.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I had not intended to say anything at this time, but I am not sure whether the implication of the hon. member who has just taken his seat was that we on this side of the house are rubber stamps. I should like to tell him that we on this side of the house are just as sincere as anybody on his side of the house. I am going to state now why I am opposed to this resolution. I stated in the house last year that I would support no social legislation until pensions were granted for the handicapped and helpless. I took the same stand all over my constituency and in the result it was quite evident that the people agree with me. I am honest in my statement.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Deputy Speaker: May I remind hon. members that if the hon. member for Winnipeg North Centre speaks now he will conclude the debate.

An hon. Member: Let him go.

Mr. Knowles: Mr. Speaker, I am sure we have listened with interest to the remarks made by the only member, except the hon. member for Fort William (Mr. McIvor), who has spoken for the government on this resolution. I refer to the attempt made by the parliamentary assistant to the Minister of Finance to persuade the house to turn down this motion. I gather, in view of the stand he has taken, and in view of the fact that apparently the government has decided not to move the adjournment of the debate as it did last year but rather to let the matter come to a vote, that it will be a bit of a surprise if we are as successful today as we were in 1952.

Before I proceed to reply to some of the remarks made by the parliamentary assistant to the Minister of Finance, I wish to express my thanks to the hon. member for Peace River (Mr. Low), the hon. member for Greenwood (Mr. Macdonnell), and to my colleagues, the hon. member for Cape Breton South (Mr. Gillis) and the hon. member for Dauphin (Mr. Zaplitny), for the vocal support they have given to this resolution. I was sorry that the hon. member for Rosedale (Mr. Henry), the hon. member for Portneuf (Mr. Gauthier), the hon. member for Charlevoix (Mr. Maltais), and the hon. member for Skeena (Mr. Applewhaite), who spoke in support of this resolution when it had government favour two years ago, did not get to their feet today.

The arguments put forward by the parliamentary assistant to the Minister of Finance are to a large extent the same arguments that have been put forward upon previous occasions, and I suppose someone over there

will say that my replies will be the same replies. Nevertheless, Mr. Speaker, in view of the kind of arguments that are being advanced against the fairness of my proposal I feel that I should say a word about some of these arguments.

One of the first arguments put forward by the parliamentary assistant to the Minister of Finance was that the exemption levels in relation to the income tax were a lot lower in 1942 when this medical expense deduction provision was first written into the Income Tax Act than are the corresponding income tax exemption levels now. In my view the parliamentary assistant answered his own argument when he admitted that there has been a considerable increase in the cost of living as well as in the rates of incomes of our people since 1942. Actually in my view, if we are going to be fair, the exemption levels should have been raised a great deal more than they have been raised, bearing in mind what they were in 1942 and what they are now.

In any event, whether or not we agree on the point to which these exemption levels were raised, I suggest that they are related to the general cost of living and that they have no bearing whatsoever on other principles of income tax legislation. The fact that these exemption levels have changed has not altered the provision with respect to the deductibility of charitable donations. Why should that change have any bearing on the question of medical expenses? It has not altered the provision with respect to all the various deductible items that are allowed to business. They are still carried along despite the fact that there have been these increases in the exemption levels.

The parliamentary assistant to the Minister of Finance, in another part of his argument, also referred to the tremendous difference in the rates of taxation in 1942 as compared with today. There was quite a difference in the cost of government in 1942 as compared with today, particularly because of the fact that we were in the midst of a very real war back in 1942. The rates of taxation were much higher for that reason, and the country accepted those higher rates because they were necessary for the purposes of the war.

The parliamentary assistant makes a great deal out of the fact that Mr. Ilsley described his introduction of this proposal as being made on the basis of medical expenses being a hardship to the ordinary taxpayer, a hardship in view of the larger amount of the taxpayer's income that was being siphoned off by the income tax. Again I do not want to put a silly idea into the head of the parliamentary assistant or the minister, but if he is going to use the argument that this provision was only put in because of the hardship of excessive medical expenses in the light of excessive wartime taxation, then you would think he would remove the deductible aspect of medical expenses altogether once that so-called element of hardship has been removed. The reason he has not done so, I think, is that society has moved along and there has been substituted for that reason Mr. Ilsley gave in 1942 the recognition by society today of the importance of income tax legislation giving some recognition to medical expenses.

Another argument used by the parliamentary assistant was that the amount that would be saved by the ordinary taxpayers, particularly those in the lower brackets, would not be very great. I was a little surprised at the manner in which he put those figures forward. He seemed to act as though he were giving the house something that would be strange, figures that would make me uncomfortable from my point of view. He used illustrations in the very brackets I used in my earlier speech. As a matter of fact he came out with figures not greatly different from some of the figures about which I was complaining.

Following that line of argument the parliamentary assistant said that in the case of a couple with two children whose income was $3,000, the maximum possible saving as a result of removing the 3 per cent floor would be only $15.30 per year. I believe that is a mark of the attitude of this government. They do not seem to realize what $15.30 means to a family man with two children and $250 per month when that family is faced with heavy medical expenses. To the parliamentary assistant, the Minister of Finance or the government, $15.30 may be just peanuts, but every nickel is a help to a family faced with medical expenses. Similarly, he suggested that a single person with an income of $1,100 would be faced with a maximum saving of $5.61 per year as a result of passing my motion. The implication the parliamentary assistant put forward was that it was not worth passing this resolution for such a small saving per year.

The other day a bill was presented which was supposed to be all right because it would take only a few cents or a few dollars from the people in the course of a year. I cannot mention the bill because it is not before us now, but everybody knows what I mean. I suggest that here again you have a mark

of the attitude of this government. They do not realize what every dollar means to a person who is hit by medical expenses.

Mr. Martin: Why does the hon. member say that?

Mr. Knowles: Because of what the parliamentary assistant said.

Mr. Martin: What the hon. member says is that no member of the government or on this side of the house appreciates the economic plight of certain groups of people. I say to him that he is wrong when he makes that statement.

Mr. Knowles: If the Minister of National Health and Welfare (Mr. Martin) feels that way about it, I suggest he take the parliamentary assistant behind the curtains and rebuke him for having put forward this argument, presumably in the name of the government.

Mr. Benidickson: I said those sums were not inconsequential to the taxpayer.

Mr. Knowles: But the parliamentary assistant also questioned whether it was worth while, in view of those amounts, to remove the 3 per cent floor for the so-called little fellow, on behalf of whom I was talking.

In a brief reference he suggested that the wealthy man would be making a greater saving. I was making notes as the parliamentary assistant was speaking, but I did not get down the figures he put forward for the wealthier person. May I point out that any sum a wealthy person is likely to be able to deduct if he spends a great deal of money on medical expenses is not likely to be changed by the 3 per cent floor, because if he spends a great deal of money he is caught at the other end as well, namely by the ceiling. So far as I am concerned, the removal of the floor would not alter his position but would be of real help to the little fellow. I remind hon. members again of what the hon. member for Spadina (Mr. Croll) said in an earlier debate, that the removal of the floor would help the fellow who is just over the line. It is on behalf of that group in our society that I urge this resolution be passed by this house.

Another of the arguments put forward by the parliamentary assistant was that the removal of the floor would mean additional administrative tasks for the Department of National Revenue. He says, for example, that the 3 per cent floor means that a great many people do not make deductions for medical expenses. They do not put in the receipts they get from doctors and hospitals because the amounts do not add up to a figure equal to 3 per cent of their gross income. Surely that is no argument against doing something that is fair in principle. The government permits deductions for charitable donations from the first dollar, which encourages the taxpayer with a receipt for even one donation to charity to claim that deduction. I suggest that the argument on an administrative basis hardly holds water.

As I am going along it occurs to me that it should be clear in all of this discussion that the 3 per cent floor does not relate to the taxable income of the taxpayer. It does not relate to his income after he has deducted the $1,000 in the case of a single person or the $2,000 in the case of a married person. For all practical purposes the 3 per cent floor is related to his gross income. There are one or two things like trade union dues or donations to approved pension plans that can be deducted before applying the 3 per cent floor, but that is all. For all practical purposes this 3 per cent floor relates to the gross income, not to the taxable income. This point has been recognized by no less a body than the chamber of commerce in the city from which the Minister of National Health and Welfare comes, the Windsor chamber of commerce. I am sure he must be interested in what they have to say.

The Windsor chamber of commerce argues that if the government cannot go all the way in what we are asking for, at least they should relate the floor to the taxable income of the taxpayer rather than to his gross income. I hope the Minister of National Health and Welfare (Mr. Martin) will give some consideration to that compromise point of view suggested by the chamber of commerce of his own city.

The next point to which the parliamentary assistant to the Minister of Finance referred —and he did it quickly; I gathered that he had figures he was ready to use if we challenged the amount seriously—was in respect to the amount that would be lost by reason of taking off this floor of 3 per cent. But since, at least for the purposes of the debate, we accepted the government's figure that the loss might be of the order of $30 million, he did not go into the matter extensively.

I was interested, however, in his comments at that point. They were so typical of government comment, and they were made right in the face of an alternative suggestion made in this debate by the hon. member for Greenwood (Mr. Macdonnell). The hon. member for Greenwood pointed out that this $30 million would be only one sixty-fifth of the

amount we are spending on defence, and that conceivably it might be made up by economies in that department of government to the extent of one sixty-fifth.

But no; so far as the government is concerned, whenever we suggest tax relief that might mean a slight reduction in revenue, it never seems to think this might be made up by some form of economy. No; they always say that the only way to make it up is by getting revenue from some other source.

I said in my earlier remarks that if it had to be obtained from some source, well and good. In our view it could be obtained in a fairer way. But I challenge the government not only to think in terms of turning to another source, but rather to think in terms of the possibility of economies to make possible this very fair proposal of removing the 3 per cent floor.

I have only a little more to say, and then we can have the vote on the question. I followed, or at least I tried to follow, the remarks of the parliamentary assistant in his effort to explain to new members in the house what had happened as a result of the way in which my motion was allowed to pass back in 1952. Incidentally, since both the hon. member for Greenwood and the parliamentary assistant to the Minister of Finance have quoted from what I said on that occasion, I should like to draw to the attention of both hon. members one sentence they seem to have overlooked. I do not suggest it was done deliberately, but in picking out sentences they overlooked the one I have in mind.

In the reply I made on March 26, 1952, when I was recognizing that we were simply voting on a motion asking the government to give consideration to the matter, I made it very clear of course that the reason that was all my motion asked was that that was all a private member's motion could ask, when a matter of money was involved. Having made that clear I said, as reported at page 828 of *Hansard*:

> I take it that if this resolution is passed, since it has won the support of the government, the government will do what the resolution asks, namely will give consideration to that proposal. Naturally I hope the fact that this resolution is passed unanimously by this house will suggest to the government that that consideration should be favourable.

The present Minister of Fisheries did not interrupt at that point.

Mr. Benidickson: He did later on. He gave the words I quoted.

Mr. Knowles: It was later on—it is all on the record—when I was dealing with another point. I have stated clearly the view I held at that time and the impression that was left with the house. I made it very clear that it was just a motion, all that a private member could ask for under the rules of the house, asking that the government give consideration to this matter. But in view of the atmosphere in the house, and in view of the unanimous support of the proposal, I said that naturally I hoped the fact that the resolution was passed unanimously by the house would suggest to the government that its consideration should be favourable.

I knew it did not bind the government. But I certainly thought that with the treatment it had accorded the resolution the government was prepared to give favourable consideration to that proposal.

The parliamentary assistant to the Minister of Finance says today that we cannot now say that this motion is just abstract or innocent. I will accept "abstract" as my word, but I do not think "innocent" was mine. He says we cannot now say that it is just an innocent or abstract motion because—and he turns to address himself to the new members in the house—it would have an effect which he deplores, namely of binding the government, when the minister is trying to work out a budget in the light of increased estimates he has before him, to giving prior consideration to this proposal involving a loss of $35 million in tax revenue.

Let us look at that. The parliamentary assistant says it is not an innocent motion. He says it has the effect of binding the minister—who has been wrestling with the estimates and will have to wrestle with the budget—to give prior consideration to this proposal. But when we said in 1952 that, morally at any rate, it had that effect, a technicality was thrown back at us and we were told that it did not have that effect.

Mr. Benidickson: You admitted that it did not have that effect in 1952, before you took your seat.

Mr. Knowles: What I admitted before I took my seat on that occasion has been put on the record today. The parliamentary assistant to the Minister of Finance knows very well that this motion is worded to the full extent that a private member's motion can go. He knows also that almost never—in fact I have not been able to find any instance of it—does this government allow a private member's motion asking for consideration of something to pass unless it is prepared to go along with the substance behind the matter consideration of which is requested.

The government has been going around in circles with regard to this matter. However, I think the high point was reached in the

suggestion by the parliamentary assistant that the government is not this time prepared to vote for the motion. And the hon. member for Fort William (Mr. McIvor) says he will vote against it. I am a little surprised at his reasoning, and we will probably remember his words at a later point in the session. His argument is that he has stated, and committed himself to the effect, that he will not support any other measure of social security until there are pensions for the disabled. Well, does he doubt the word of his colleague, the Minister of National Health and Welfare, who has already assured us that there will be legislation at this session with respect to pensions for disabled persons? I do not see the force of the argument of the hon. member for Fort William.

At any rate the parliamentary assistant to the Minister of Finance and the hon. member for Fort William, the only two spokesmen we have heard from the government side, suggest to us that by and large government members are going to vote against this motion. Well, if the parliamentary assistant has come around now to the idea that the motion only asks for consideration—and he says now that is what I admitted before I sat down in 1952—

Mr. Benidickson: But you did not stick to that position.

Mr. Knowles: I did stick to my position. It is perfectly clear that there was no chance of departing from it. It is the government that has made the great departure.

Mr. Harrison: He thought he was innocent in 1952.

Mr. Knowles: The hon. member for Kootenay East (Mr. Byrne) or whoever is interjecting will have an opportunity to vote on this in a moment or two. If the government now takes the position that this is a resolution simply asking for consideration of the matter and calls upon Liberals to vote against it, look at what this country is being told. This country is being told that this government will not even consider the proposal.

Some hon. Members: No.

Mr. Knowles: This government is asking its supporters to say that they are opposed even to the request that consideration be given to removing this 3 per cent floor. I say to this government that too often they have relied on the hope that the memories of the Canadian people are short. Over and over again they are doing things like this. In the early part of a parliament they go against the wishes of the people and then try to make up for it just before an election. They have gotten away with it a number of times, but I suggest that they have gotten away with it for the last time.

The next election may be three or four years away, but this is not the last this parliament will hear of this motion for abolishing the 3 per cent floor. If the majority of this house reverse their decision of two years ago, when they supported it, and vote against it today, they will have an opportunity to deal with it next year and the year after until the election comes. I do not think the memory of the Canadian people will be as short this time as it has been. Even if the people do not remember what happened in 1954, they will have a chance in 1955 and in 1956 to see where the Liberal members of this house stand.

In 1952 the Liberal members of this house were in favour of the government considering the removal of what was then the 4 per cent floor. Those on the Liberal side who spoke to it made it clear from their remarks that they were in favour not just of having the matter considered but of having the floor removed.

Mr. Sinclair: Just on one point of order, I spoke for 40 minutes at that time giving reasons why the government did not think it should be removed.

Mr. Knowles: The Minister of Fisheries (Mr. Sinclair) was then parliamentary assistant to the Minister of Finance. On that occasion he spoke at length and gave the arguments on both sides of the question. It was not a 40-minute speech on why it should not be removed; the minister gave arguments on both sides of the question. The minister was on one side of the question only in relation to the removal of the ceiling, but he ended up by saying that the Minister of Finance (Mr. Abbott) was prepared to give consideration to the motion for the removal of the floor and was willing to have the house pass it.

But the other members who spoke on that occasion did not get involved in that technicality; they were happy that the government had given a lead suggesting that the motion should be passed, and they spoke in those terms. Certainly it was interpreted in that way by the country. If the Liberal members of this house now want to reverse their position and vote against this motion, be it on their own heads.

Income Tax Act

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

YEAS

Messrs:

Adamson
Aitken, Miss
Argue
Balcer
Barnett
Bell
Bennett, Miss (Halton)
Blackmore
Brooks
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fair
Fulton
Gillis
Green
Hahn
Hamilton
Harkness
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Low
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
McLeod
Mitchell (London)
Monteith
Murphy (Lambton West)
Nicholson
Noseworthy
Nowlan
Patterson
Pearkes
Quelch
Regier
Robinson (Bruce)
Stewart (Winnipeg North)
Thatcher
Thomas
Trainor
Tustin
White (Middlesex East)
Winch
Yuill
Zaplitny—66.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Balcom
Batten
Benidickson
Bennett (Grey North)
Blanchette
Boivin
Boucher (Restigouche-Madawaska)
Brown (Essex West)
Buchanan
Byrne
Campney
Cardin
Carter
Cavers
Chevrier
Claxton
Dickey
Dumas
Dupuis
Enfield
Eyre
Fairey
Forgie
Fraser (St. John's East)
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gour (Russell)
Gregg
Hanna
Hardie
Harris
Harrison
Hellyer
Houck
Howe (Port Arthur)
Huffman
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Gaspe)
Lapointe
MacDougall
MacEachen
MacKenzie
MacNaught
McCann
McCubbin
McIlraith
McIvor
Mang
Martin
Masse
Matheson
Monette
Murphy (Westmorland)
Pearson
Philpott
Pickersgill
Pommer
Pouliot
Power (St. John's West)
Prudham
Purdy
Richard (Ottawa East)
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent
Schneider
Shipley, Mrs.
Sinclair
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Villeneuve
Weaver
Weir
Weselak
Winters
Wood—90.

Mr. Goode: I was paired with the hon. member for Medicine Hat (Mr. Wylie).

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

GRAIN

ESTABLISHMENT OF SCHOLARSHIPS THROUGH INVESTMENT OF UNDISTRIBUTED BALANCES IN HANDS OF WHEAT BOARD

Mr. J. H. Harrison (Meadow Lake) moved:

That, in the opinion of this house, the government should consider the advisability of amending the Canadian Wheat Board Act to provide that, where producers of any grain sold or delivered during a pool period have been for six years or more entitled to receive from the board payments in respect thereof under certificates issued pursuant to the Canadian Wheat Board Act, or out of an equalization fund, and there is an undistributed balance remaining in the accounts of the board in respect of that grain, such undistributed balances be paid over to trustees who shall be instructed to pay claims as they are submitted, to invest the remainder in appropriate government securities, and to set aside the interest earnings thereon as a scholarship fund to be awarded to the sons and daughters of prairie farmers attending the universities of Manitoba, Saskatchewan and Alberta.

He said: Mr. Speaker, this resolution does not require a lot of explanation to members of the house. My main reason for bringing the matter to the attention of the house is the fact that many ideas have been expressed as to how good use might be made of this undistributed fund. I thought it would be a good thing for some discussion to take place in order to decide the best use to which this undistributed fund in the hands of the wheat board might be put.

I might explain something for the benefit of eastern members. One member who spoke to me just before the dinner recess thought possibly the purpose of the resolution was to get more money from the government of Canada for the farmers of the west. Let me say at the outset that that is not the case. These are funds that belong to the farmers of western Canada. They are in the hands of the wheat board and consist of final payments, interim payments and so on

which the board, for some reason or other, has not been able to distribute. It may be that the man who delivered the grain cannot be found. He has disappeared, or he may have died and at the moment his heirs are not ascertainable.

These funds are kept in escrow by the wheat board for a period of six years. I think it would be wise if they were invested in gilt-edged government securities and the interest thereon used for the purpose of providing scholarships for the sons and daughters of western farmers. In that way some good would be done along educational lines. There have been indications at times from other members of the house that possibly I am not too interested in education. This resolution may be one way of showing that I am, and in a material way. I have not been particularly interested in some of the proposals that have been made to the house concerning education because they have not been of a kind that can be implemented. The procedure I have suggested would provide scholarships for the sons and daughters of prairie farmers.

At present the fund is of some size, and of course it varies from time to time. I do not propose that any of the fund shall be disposed of or that any rightful claimant shall be denied his money any time he wishes to claim it. I suggest that the fund shall be set aside and administered by the wheat board, and that from the interest on the investment scholarships be provided for the sons and daughters of western farmers.

Mr. Campbell: Will the hon. member say what the amount of the fund is now?

Mr. Harrison: I understand that it is something in excess of $2 million. I might say that a similar resolution was moved by the predecessor of the hon. member who has just interjected. It is not my brain child in the first instance. I think it is something that should commend itself to hon. members and I should like to see some discussion of the matter because, as I said at the outset, various organizations interested in western farmers and the grain industry in particular have different ideas on what is the best use that can be made of this money.

I hope hon. members who follow me will put on record their ideas as to what they think is the best use to be made of it. I think the provision of scholarships as I have suggested would be an admirable use. There are not too many scholarships available to the children of western farmers, and it would not hurt to provide more scholarships in this manner.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this motion is one that, to say the least, is innocuous in its import as I see it. Although there is no reason whatever for any strong opposition to it, it does not meet the problem faced by the wheat board with respect to undistributed amounts on hand. I have here the wheat board report for 1950-51. It shows that for the year ended July 31, 1951, the amount due to producers on wheat, in so far as final payments were concerned, was over $9 million and on coarse grains $146,000, and that there was a balance in adjustment payments on wheat and coarse grains of approximately $2,600,000, or a total of $11,792,000. For the year 1952 the amount shown as being due to producers is approximately $5,417,000.

While on the face of it this motion can cause no serious objection to be raised, it does not really meet the problem that faces the wheat board in connection with the amount held to the credit of producers. I realize, as the hon. member has said, that many of the amounts that are held are held to the credit of estates and have not been claimed. While I feel that this resolution, if carried, will have a favourable result in so far as it purports to establish scholarships, it does not meet the problem of the disposal of the amounts on hand.

I suggest through you, Mr. Speaker, to the Minister of Trade and Commerce (Mr. Howe) that it must be a serious problem for the wheat board to have such large amounts on hand to the credit of producers whose addresses are not known and for which no claims have been made. Therefore I pass on to him a suggestion I have heard made on occasion, and no doubt it has been made to him before on many occasions, namely that the wheat board might follow a similar system to that followed by the chartered banks and from time to time advertise a list of those names to whose credit moneys are held by the wheat board. While the cost of such advertising might be considerable, I am sure many hundreds of thousands of dollars, if not millions, now unclaimed would go into the hands of the proper claimants.

One finds frequently in the practice of law, and particularly in the administration of estates, that those to whom moneys have been credited having passed away without leaving any record of having moneys to their credit, such claims are overlooked.

I feel that whether or not this motion is carried the hon. member has performed a fine function in bringing this subject before the house, because it does enable a discussion to take place as to the disposition of those funds, to the end that millions of dollars may

be distributed among the proper claimants. I do not know what the latest figures are because the 1953 annual report is not available.

Some might say that there is negligence on the part of the individuals for whom these moneys are held. That is not my view at all. The position of these people is much the same as those who, having credit balances in the banks, leave the locality, pass away or somehow cease to realize that the credit is there for them. It is only through advertising that these credits become known. Certainly I got a surprise on one occasion when one of the chartered banks showed I had a balance of $10.50 on hand in one of its branches. I know I would not have realized it if publicity had not been given to the fact. I know many who have had large amounts and who have had the same experience.

So far as the disposal of the moneys is concerned, the hon. member has suggested that they be set aside to establish a scholarship fund to be awarded to the sons and daughters of prairie farmers attending universities in Manitoba, Saskatchewan and Alberta. Generally speaking that is a very fine objective, and no one could take any serious objection to it. I do not know whether the farm organizations made the suggestion that is now placed before the house by the hon. member, or whether in making this suggestion he represents a considerable group of farmers within Saskatchewan. Certainly as a general principle there can be no objection, but if it is accepted I can see tremendous difficulties in the way of extending these benefits. I can see no reason for casting a vote against it, for at least it envisages providing some benefit from the moneys so held by the wheat board, but who is to be entitled to it? How is it to be disbursed and on what basis? All those things are merely matters of detail.

I rise to say that the motion has in it no serious objection that I can see. I feel it would be favourably received by people in general, having the objective in mind. I believe that a more serious problem faces the wheat board, and that is the need for an out and out advertising campaign setting out the moneys held for a period of at least three years in order to clear up this large amount of money that is today apparently unclaimed from the wheat board.

Mr. W. M. Johnson (Kindersley): Mr. Speaker, there are several observations I should make in connection with this resolution. The first relates to the amount of money in the fund, and where the money would come from in the first place. I think it is interesting to go through the Canadian wheat board report for the crop year 1951-52, which gives the history of the payments which were outstanding, beginning with the 1940 crop account.

For the 1940 crop account the present total of outstanding certificates and cheques is $86,672.01; in the 1941 crop account, $38,444.99; in the 1942 crop account, $44,447.05. Now we come to the 1943 crop account, in which there is a significant increase to $178,481.11; in the 1944 crop account another increase to $209,246.14; in the 1945-49 pool account, the total amounted to $2,013,355.52; while in the 1950-51 pool account it amounted to $683,169.99, the total for that period being $3,253,816.81. During the period from August 1, 1952 to November 30, 1952, the board paid $1,115,531.94 in respect to its liability of $3,388,375.58, leaving a total outstanding at that period of $2,272,843.64. As the hon. member has pointed out, the figure would stand now at just about $2·5 million.

Now, going back to show where the funds would come from, we see that they may be from cheques for participation payments made out to farmers who are perhaps deceased. I think the board has a responsibility to try to find those who would inherit the estate and who would have a rightful claim against those funds. There are those who have moved out of the locality. There may be retired farmers who have moved to some of the larger centres or perhaps out to the balmy breezes of British Columbia. As I understand it, these cheques are sent out by mail. If the individual to whom the cheque is directed is not available in the locality, and the postmaster does not know where he is, I presume the cheque would be returned to the Canadian wheat board. The board would assume the cheque was undeliverable. I presume the board would make several attempts to deliver it to make certain that the individual was not just absent at that particular time.

One difficult point is that an individual may be entitled to a payment, and may be living at an adjacent point. He may have delivered grain during an open quota to a point some 15 miles distant from his residence, and the postmaster at that point would not be personally acquainted with him.

I think we are safe in saying that in all cases the individuals are unaware that there is a credit standing in their name. As the hon. member for Prince Albert (Mr. Diefenbaker) has pointed out, there should be an active campaign to inform the public

about those who are entitled to these funds. During the years I have farmed in my district not once have I seen a list of such individuals who were entitled to payments from the Canadian wheat board. I do not say that such lists do not exist, but I have never seen them. I would suggest to the minister, then, that an extensive advertising program be carried out in the newspapers in these areas, setting out the names of individuals who have credits with the Canadian wheat board.

I do not think it should be left to the individual to write to the Canadian wheat board and inquire if there is a credit there. I notice the hon. member for Meadow Lake has put an arbitrary period of six years in his resolution, after which the funds would become available for a trust fund. It is pointed out also that further claims may be made at any time during that period. I would just question the six-year period. I think it would be more advisable to put it on a ten-year basis, since going back ten years would bring us to the 1942 crop year, where we still have a little more than $150,000 as a beginning, and we could carry on the program from there.

Assuming every possible effort has been made to locate the owners, I think the suggestion that funds be used for educational purposes is very commendable. They should be used to assist those who created them. One method suggested is that of a scholarship fund. I believe it might be well to say here that a relatively small number of the sons and daughters of farmers are able to take advantage of higher education. When I refer to "higher education" I might include high schools. Their services may be required on the farms, or they may be in isolated locations where they are unable to take advantage of high school education.

Therefore I would question the value of confining the assistance to university scholarships, which would afford an advantage to only a small segment of our agricultural population. Only a small proportion of farm personnel, or farm boys and girls, attend university. I think it is equally significant that a very small percentage of them return to the farms to impart the advantage of their knowledge to the local communities. In many instances the students follow non-agricultural lines of study. They may study to become doctors, dentists or lawyers, in which case their studies are of value to them as well as to agriculture, but not directly to the communities from which they have come. I say they are of value to agriculture because we must face the fact that, because of the increase in technology, fewer people are able to farm the same amount of land. Therefore some will be forced off the farms into other lines of endeavour. Anything we can do by way of assistance for them is certainly valuable.

I think a more direct method of spending these funds would be desirable. This could take the form of direct assistance to the communities, through farm organizations. It could provide funds for educational work. I think we are all aware of the significance and value of adult education and the effect it has upon the cultural practices of the farming communities. In my view if funds were made available for local organizations so that, for example, they could organize tours to experimental farms, where the farmers could see the most up-to-date farming techniques and where they could see the development of new varieties, we would do more for agriculture than by awarding scholarships in universities.

In my constituency we are very close to two first-class experimental farms. I refer to those at Swift Current and at Scott. On more than one occasion farmers in that area have organized themselves to tour these experimental stations, and they are very enthusiastic about what they see. Upon returning to their farms they try to put into practice some of the policies they have seen demonstrated. If various farm organizations had funds available to charter buses and organize tours so the farmers in the district would have the opportunity of seeing these demonstrations which otherwise would be denied to them, it would be to their advantage.

In the field of adult education we cannot be negligent of a simple matter such as weed control. It would be advantageous if the farmers could acquaint themselves with weeds and the techniques required for their eradication. In this way the productivity of the farms would be increased.

Just as an example I would point out that some years back an individual in Kindersley received a plant known as toad flax. It looks a good deal like snapdragon. He brought it home with him and planted it in his garden, thinking it to be a pretty flower. I have no doubt many hon. members from northern Saskatchewan will be familiar with toad flax and the damage it can do to land. I might say that today there is a small patch of this weed growing on the fair grounds at Kindersley, and I am sure if the farmers in the community were aware of the dangers from this weed they would be out there tomorrow morning shovelling off the snow

and chopping out all they could find. If one goes about 150 miles north of there he can see the devastation that can be caused by such an innocent looking plant as toad flax.

Another aspect in connection with education in the rural areas with which we must concern ourselves is the desirability of encouraging boys' and girls' club work. If a local farm organization had the funds with which to sponsor such a club it would instil in the minds of boys and girls knowledge of good farming practices. They would be taught individual responsibilities, the value of good seed, the value of education and of companionship. The other 4-H clubs are of equal value; I am thinking of calf clubs, tractor clubs and others suited to the locality.

These are some aspects we must consider when the disposition of funds from the wheat board is before us. I agree with the underlying principle of the bill, that the funds should be utilized after every effort has been made to locate the owners. They should be used to provide assistance through scholarships and assistance to the local community. However, as the resolution is now worded it does not allow for assistance to the community, and I would therefore move, seconded by the hon. member for Yorkton (Mr. Castleden):

That the resolution be amended by inserting therein immediately after the words "earnings thereon" in the third last line, the following:

"(a) partly";

and by adding at the end of the said resolution the following:

"and (b) partly as a fund to be paid to bona fide farm organizations in Manitoba, Saskatchewan, Alberta and the British Columbia block, for use in educational work among their own membership and other primary producers in those areas."

With this amendment the resolution would read:

That, in the opinion of this house, the government should consider the advisability of amending the Canadian Wheat Board Act to provide that, where producers of any grain sold or delivered during a pool period have been for six years or more entitled to receive from the board payments in respect thereof under certificates issued pursuant to the Canadian Wheat Board Act, or out of an equalization fund, and there is an undistributed balance remaining in the accounts of the board in respect of that grain, such undistributed balances be paid over to trustees who shall be instructed to pay claims as they are submitted, to invest the remainder in appropriate government securities, and to set aside the interest earnings thereon (a) partly as a scholarship fund to be awarded to the sons and daughters of prairie farmers attending the universities of Manitoba, Saskatchewan and Alberta and (b) partly as a fund to be paid to bona fide farm organizations in Manitoba, Saskatchewan, Alberta and the British Columbia block, for use in educational work among their own membership and other primary producers in those areas.

These funds should be more widely advertised so that farmers would become aware

[Mr. Johnson (Kindersley).]

of them and would have an opportunity to make their claims. I should like to see the resolution carried in the form I have suggested, so that something would be done to provide financial assistance to bona fide farm organizations to provide for adult education and assistance for boys' and girls' club work.

Mr. Victor Quelch (Acadia): Mr. Speaker, I must admit frankly that I have not given this matter a great deal of thought, but on the face of it I would support the general principle contained in the resolution, that after a certain period of time unclaimed balances held by the wheat board should be turned over to a board of trustees. This board would meet any claims made by farmers who were eligible to receive payment and the balance would be invested, the interest thereon being used for the purpose of providing scholarships for daughters and sons of farmers.

The first question that comes to my mind is whether this matter has been discussed with the various farm organizations, and what is their reaction to the suggestion. Surely if we are going to go ahead with a proposal of this kind farm organizations in the west should be consulted. They might be able to offer many suggestions with regard to this matter. It seems strange to me that we should go ahead with a motion of this kind without first getting their advice. If I remember rightly they did make some suggestions regarding the utilization of these funds in the past, but I forget just what it was. I do know that at the time I was not quite in accord with the suggestions they did make.

Another point that comes to my mind is in connection with the suggested period of six years. In view of the fact that the vast majority of payments are completed in about three years I wonder if it would be necessary to wait six years. The hon. member who preceded me suggested ten years, but I would go in the opposite direction and suggest that if at the end of three years every effort to find the owners of unclaimed moneys had been without success, then it should be paid over to the board of trustees. Those trustees would still be able to pay any claims that were made, and in the meantime the money could be invested and put to useful purposes.

When I say "useful purposes" I do not suppose that the money is actually lying idle. Perhaps the wheat board borrows it to pay operating expenses. I am not certain as to that, but I suppose there is nothing to stop the wheat board borrowing the money and using it to pay operating expenses and thus saving the interest they would have

to pay if the money were borrowed from a chartered bank. Perhaps that is a point the hon. member would clarify if he replies.

I agree with the suggestion made by the hon. member for Prince Albert (Mr. Diefenbaker) that greater efforts should be made to locate the owners of this money by advertising. I have never seen printed in a newspaper any list of names of people to whom balances are owing. If the names of farmers in each of the provinces were printed in some of the principal papers, even though the actual farmer who was entitled to receive payment did not see it some of his friends might, and perhaps they would know where the farmer was living and notify him that he had money coming to him. In that way it might be possible to get more of these unpaid balances paid directly to the farmers.

The amendment suggests that a certain amount of this money should be paid to farm organizations to be utilized for a number of community purposes. The danger in that suggestion is that the money might be spread too far and too thin, with the result that not much could be done for anybody. No doubt there is enough money at the present time to provide scholarships on quite a substantial scale if it were invested, but if you tried to use the money for many different purposes you might find you were unable to accomplish anything worth while.

Another point is what farm organizations would be eligible to receive this money. I imagine that the minute you start talking about making money available you will have requests from many bodies. There would be the Canadian Federation of Agriculture; there would be the three western farm unions, the wheat pools, the western livestock growers' association, the grain growers' association. I do not know just where you would stop making contributions to various organizations.

Personally if action of this kind is going to be taken I would prefer to support the resolution as it stands, with perhaps a change in the period of six years to three years. I do not see why we should hold the money for that length of time. The three-year period would permit the wheat board to try to get in touch with farmers by means of advertising.

On those conditions we will be quite prepared to support the resolution.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the subject matter of this resolution is one on which I think it would be helpful to have the views of a number of hon. members. The resolution suggests an amendment to the Canadian Wheat Board Act. I would point out that a similar resolution appeared on the order paper last session, moved by the then hon. member for Mackenzie, Mr. Ferrie. If I am not mistaken the wording was identical. The resolution was not reached or discussed as a resolution during that session, but I looked on it with a good deal of favour. As a matter of fact I helped Mr. Ferrie draft it, or at least suggested the wording.

During that session we did amend the Canadian Wheat Board Act and in doing so we made provision for an arrangement somewhat similar to that suggested by this resolution. We provided that after funds had been outstanding for six years they would be segregated in a separate account which could be used as determined by the governor in council on the recommendation of the wheat board. The first intention had been to be more specific and carry out the terms of the resolution in full. However, on consulting the farm organizations it was found that there were as many different ideas about how the fund should be used as there were farm organizations.

Since we could not at that time determine a policy which would be satisfactory to the representatives of the farmers, we decided that we would simply allocate the money in a fund and allow some time for the wheat board to work out a solution that would be reasonably satisfactory to those who speak with some authority for the western producers.

I think the amount of money involved is being somewhat exaggerated. After setting aside all outstanding balances that were six years old, that is six years from the date on which the payment was due, the amount that accrued to the fund totalled $458,344.37. Perhaps I should read this paragraph from what I said at that time, and I quote from page 3425 of *Hansard* of March 30, 1953:

> Every effort has been made to locate the persons to whom this money is due. Advertisements have been used. Letters have been sent. The help of the wheat pool organizations has been requisitioned to try to trace them down. The balances that it is proposed to set aside at the moment are those from the 1940 crop wheat account, the 1941 crop, the 1942 crop and the 1943 crop. The total of these four accounts is $247,289.78; and from the other operations, the 1942 crop oats and barley equalization fund, $58,905.57; and the 1943 crop oats equalization fund, $98,717.59 and the 1944 crop barley equalization fund, $52,431.63.

That all adds up to the amount I have given.

Mr. Nicholson: Has the minister the total amount?

Mr. Howe (Port Arthur): The amount set aside was $458,344.37.

Mr. Argue: Has the minister the figures in the 1945-49 wheat account? It seems to me a substantial amount is involved.

Mr. Howe (Port Arthur): They will be given as they become due, and they will be put into this fund. I am speaking of the amount already in the fund; that is the payments that are six years or more overdue. The reason for the six-year period is that debts of this kind become outlawed after that time under the ordinary civil law. However, debts owed by the wheat board are never outlawed. Someone spoke to me recently about a very old account—I hesitate to say how old it was but they came across it going through the papers of an estate—which indicated there was something payable by the wheat board. The account was rendered and paid without question. Under the provisions of this fund there is no suggestion of outlawing accounts that are more than six years old. If valid accounts are sent in, no matter how old, they will be paid.

As I said before, the action required by this resolution has already been taken. I think it is section 29 (a) of the wheat board act which was enacted at the last session of this house, which is the relevant section so far as the setting up of the fund is concerned. The subject matter for discussion, and the only subject matter for discussion, is who will benefit from the fund. Obviously the money belongs to no one in particular, except that it came from the producers of western Canada and it should be used for some project that will benefit as many producers of western Canada as possible.

One solution was that as the funds accrue they should be distributed as part of the current wheat pool, in other words that the amount accruing to the fund should be included in the receipts of the current wheat pool and distributed in that way. That did not seem to be equitable. The producers who were contributing to that particular pool had no individual claim on this money, and it seemed quite wrong to distribute the money in that manner, although that was the suggestion made by one pool organization.

I rather like the suggestion made in this resolution. I have never seen a better proposal, namely that it be used to produce a better generation of farmers by sending the young people of western Canada from the farms of western Canada to the agricultural schools of western Canada. That I believe is a very desirable way of using these funds. I hope general agreement can be obtained to that end, and I hope the wheat board will in time suggest that the funds be used in that manner.

I must say that I intensely dislike the method suggested by the amendment, that we try to devote this money to farm organizations. Farm organizations are already legion, and I think if we attempted to use these funds to support them we would have many more to support. I think that would be the worst possible and certainly the most contentious way the fund could be used, because the share of each organization would, I think, always be in dispute.

However, since this resolution is to amend the wheat board act, and since the amendment has already been moved, I hope this discussion will not be brought to a vote. We have a resolution to amend the wheat board act, and an amendment to the resolution. We are not going to amend the wheat board act, because it has already been amended. I hope we can have a discussion on the sole remaining issue, that is as to how the money shall be used. When the discussion is finished I think perhaps a very good way to end the evening would be to withdraw both the resolution and the amendment and send *Hansard* out to the wheat board as a basis for their examination of the proper way to use the funds in this account.

Mr. Harrison: After hearing the explanation of the Minister of Trade and Commerce that the necessary amendment to the wheat board act was passed at the last session of the house I am quite amenable to his suggestion that I withdraw the resolution. Before doing so, however, I think it might be well if I discuss for a moment the amendment that has been made and the main reasons for—

Mr. Howe (Port Arthur): Mr. Speaker, I suggest the house should be told that if my hon. friend speaks now he will close the debate.

Mr. Deputy Speaker: The hon. member is speaking to the amendment, not the main motion.

Mr. Harrison: I am speaking to the amendment, Mr. Speaker, and I must say I am not much more amenable to it than was the Minister of Trade and Commerce. Several objections came to my mind when the hon. member for Kindersley (Mr. Johnson) was making his suggestion. The fact is that most farm organizations have ways of raising funds and most of them have funds at the present time. But the position of the daughter or son of a farmer who may not have ways of raising funds is quite different, and it is

important that if they want to go to college they should have some means of raising funds so they can do so, as many of them otherwise would not have the opportunity. A group organization of farmers, on the other hand, who wanted to go to an experimental farm would have no difficulty in doing so because there are few of them who do not have some means of transportation, or their neighbours have some, whereby they can join in these excursions. Also, farm organizations generally have fairly adequate means of raising funds, and they are in a far better position to do so than the individual child of a farmer.

That is the main objection I see to the proposal. Speaking on the amendment, the member for Acadia (Mr. Quelch) said there were so many farm organizations that the fund would be spread a little bit thin. On the other hand, the fund could provide fairly good scholarships for children, and provide much more benefit than it would to any of these farm organizations.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I am indebted to the hon. member for Meadow Lake (Mr. Harrison) for placing this resolution on the order paper, and I am sure all members appreciate the fact that the Minister of Trade and Commerce, with his great variety of interests, has been able to give constructive thought to this problem. I think the Minister of Trade and Commerce was on strong ground when he suggested that this money should be spent in western Canada in the interests of agriculture in that area.

To support the general proposal advanced by my colleague the hon. member for Kindersley (Mr. Johnson) I should like to say that I believe that adult education will require a good deal of financial assistance. The hon. member for Meadow Lake (Mr. Harrison) cannot hope to suggest this proposal as a substitute for federal aid for education. As the Minister of Trade and Commerce pointed out, the sum is not going to be large. The balance he mentioned, namely $458,000 invested at 3 per cent, would give something less than $14,000 per year. If that amount were to be divided among the three prairie provinces, none would get a large amount.

I would suggest that the amount spent on university education should be earmarked for research for specific work. I think no useful purpose would be served if a student went to university and later went to California, New York city or Washington. I suggest that for every year of tuition a student accepted from the fund, one year at least should be spent on research work in the area where he lives or where he studies, with a view to solving some of the problems that I should like to submit for the consideration of the house.

The Canadian Federation of Agriculture, for example, in its December bulletin sets out the position of the farmer in August, 1953, as compared with the position in August, 1949. It shows the position to be as follows:

> Taxes, increase 16·4 per cent; Farm wages, increase 22·6 per cent; Farm machinery, increase 25 per cent; Building materials, increase 31 per cent; Gas, oil, etc., increase 10 per cent; Feed, decrease ·6 per cent; Fertilizer, increase 28·8 per cent; Seed, decrease 5 per cent; Farm family living costs, increase 17 per cent.

With those drastic increases in farm operating costs, on the next page we find this statement:

> Figuring 1949 as a basis of 100, the purchasing power of net farm income in 1953 works out at 90.

While everyone dealing in farm machinery, building materials, fertilizer and feed is able to pass on the increase to the consumer, the farmer is in the unfortunate position that his net position is worse in 1953 than it was in 1949.

In one of the other federation bulletins it is indicated that a great deal of educational work should be done in all parts of Canada in order to help people to get a little bit better sense of values. Here is what is stated:

> Let's take the year 1950. In this year the people of Canada spent a total of $1 billion on tobacco and alcoholic beverages. We could compare this with the total value of the wheat crop of that year at $712 million, or the total value of all cereal crops of 1950, including wheat, oats, barley, rye, at $1·2 billion. Or we could compare it with the total value of milk production at $432 million.

That is in contrast with a thousand millions of dollars spent on tobacco and alcoholic beverages. I submit that here would be a field for a university student to do graduate work, with a view to helping the people of Canada get a better sense of values, so that agriculture might get a larger share of the consumers' dollars. In 1952 our people spent $1,243 million on tobacco and alcoholic beverages, and on milk they spent $360 million. We find our expenditure on milk going down and our expenditure on alcoholic beverages and tobacco going up. I think all the people in the prairie provinces who have contributed to this fund that we are discussing tonight would agree that here is a field for some work by some students in some of the universities in western Canada.

The editor of the *Western Producer* had something to say in an editorial entitled

"Danger Signals". In it he pointed out that in the United States for 1954 the program for agriculture calls for reducing drastically the level of support prices, thus discouraging production and also enforcing a substantial cut in acreage sown to crops in surplus. The comment is this:

> Here we have a situation which should give pause not only to the Americans but to the whole free world. For surely it affords the most disturbing and distressing proof of the complete bankruptcy of our economic system.

It points out that the crying need of the world is for food, and goes on to say:

> It would be wearisome repetition to quote the pronouncements of the food and agriculture organization and other authorities, showing that more than half of the people on the outside of the iron curtain are always hungry—never get a decent meal. On the radio every day our hearts are wrung by appeals for donations of scraps of food to feed the starving. At the same time the farmers of the United States have demonstrated what they and farmers elsewhere can do when given adequate stimulus. They can produce food in such abundance that it becomes a problem to find storage space for it. Then what happens? Well, we see it actually happening right now in the United States. Instead of welcoming the abundance as a God-given respite for the starving multitudes, a frantic effort is made to cut back production. We have the food and there is more where it came from but how to get it to those who need it—that's the problem that stumps the experts. So, may God forgive us, we are proposing to solve the problem of abundance by reducing production, thus creating an artificial scarcity. What more devastating indictment of our economic system could even its most fanatical critic conceive?

That is in the United States. But in Canada not so long ago we took our part in keeping down production. The editorial continues:

> It would be a tragic mistake to run away with the idea that these matters interest only one country or affect only the farmers, that the problem is not of major proportions, and, anyway, is only temporary. In plain truth it is one of the principal symptoms of the disease that is killing civilization. For if civilization should perish and freedom die it will be because of the rot within it. The average man does not take fire from eloquent exhortations that it is his duty to defend "our way of life" with his own life if necessary. Wrongly, no doubt, having enjoyed free institutions all his life he takes them for granted like the air he breathes. He judges the value of "our way of life" by its economic performance and because he has himself, in so many instances, experienced the corroding effects of poverty in the midst of plenty, he judges that it has been a miserable failure.

I therefore submit, Mr. Speaker, that the problem of having so much food in some parts of the world and so many people going hungry is a matter to which it would be well worth while having a few young western Canadians devote some post-graduate work, in order to see if in the next generation a better job can be done than has been done in the past.

[Mr. Nicholson.]

In support of the proposal made by the hon. member for Kindersley (Mr. Johnson), the educational work that would be done by the farm organizations might be the bringing of a man like Dr. Keenleyside to the annual convention of the Canadian Federation of Agriculture, as was done in Victoria last year. Dr. Keenleyside opened his remarks with this comment:

> Why is it, for example, that although the most famous philosophers, statesmen and poets have praised farming as the ideal mode of life, and the farmer as the most virtuous of men, history proves by endless repetition that the farmer is almost always the last member of the community to receive political and economic recognition? It is a tradition that farmers should have soft words and hard knocks; flattery but seldom a fair deal.

In commenting on some of the problems about which farmers are thinking and to which we all have to give consideration he has this to say on page 7:

> Over half the people in the world are illiterate, thus providing fertile soil for the weeds and tares of superstition, prejudice and fanaticism. Over half the people of the world are ill, though most of them could be cured and many of the most prevalent diseases could be permanently eradicated . . . Most of the people in the world are hungry most of the time, yet by applying even our present knowledge to the problems of production and distribution we could ensure reasonable standards of nutrition for all.

Therefore bringing men from the food and agriculture organization, the world health organization, UNESCO and other international and national organizations would no doubt create a desire and interest among all our people to face up to these problems and solve them.

I believe these problems can be solved. I do not think it is to be expected that the farmers of this country should live for all time in a position where roughly 20 people out of 100 get 12 per cent of the wealth produced by all the people. Therefore I submit that some of our young people from the west should be encouraged to do post-graduate work in our universities. I would not limit it to our own, but I would suggest that one of the terms of accepting a scholarship should be that an equal amount of time would be spent in trying to evolve solutions for these problems.

In our province we have a new medical college that has been completed and is now operating. In ten years time I think we will certainly have the best medical college in Canada. But it is going to cost the people of our province at least $50,000 for every medical doctor turned out. We do not begrudge that, but I do not think it can be expected that the people of Saskatchewan

should turn out the best qualified young medical doctors merely to have them go to the United States or even to eastern or far western Canada, when the shortage of doctors is so acute in our own province. I think it is a fair rider to attach to the granting of scholarships—and we all seem to agree on the question—that those who accept funds should be required to devote some time and thought to trying to make a contribution toward the solving of the agricultural problems I have mentioned.

Finally, I should like to suggest that for quite some time education, health, transportation and markets will be the four major problems of the prairie provinces. With respect to the field of education, inasmuch as the federal authority has the power to tax all the people of the country I think it must participate in that field in order to see that every Canadian has the best available education. As I pointed out with respect to health, I think it is unfair to the people of Saskatchewan to have to pay to train doctors at the very high expense I have mentioned, when there is nothing to prevent these doctors from practising anywhere in Canada or the world. If these doctors are going to be citizens of the world I think at least all the people of Canada should participate in the cost of training them.

The same goes for transportation. The federal government is in a position where it takes the cream of automotive taxation money. People on the prairies wear out cars and help to channel funds into the federal treasury through corporation taxes. I think negotiations between the federal and provincial authorities would be quite justified for the purpose of bringing about federal government participation in those fields of activity which in the past, in the horse and buggy age, were thought to be fields for which the provinces were entirely responsible. Therefore I hope some of these funds can be devoted to research work, with a view to finding a solution for some of the problems that are perplexing the prairie provinces.

Mr. W. A. Tucker (Rosthern): Mr. Speaker, the minister has stated that the real purpose of this resolution can be served by hearing from hon. members as to ways in which this money might be spent. I suggest to the minister that there is another purpose in the resolution which is quite important, too. In section 5 of the act amending the Canadian Wheat Board Act passed last year we find the following:

> Any balance transferred to the separate account pursuant to subparagraph (ii) of paragraph (a) of subsection 1 shall be used for such purposes as the governor in council, upon the recommendation of the board, may deem to be for the benefit of producers.

In other words the governor in council has to appropriate the money on the recommendation of the wheat board. I suggest for the consideration of the minister that the wheat board is very busy with the problems involved in the marketing of wheat, and that it is going outside its own field when you ask it to try to decide in what way this money could be spent in the best interests of producers. It might have to decide between competing claims for this money, and the board might not want to do that in view of the fact that it is supposed to serve producers with respect to marketing their grain. It might not want to adjudicate between conflicting claims.

I suggest that the resolution should be considered by the government from the standpoint of the proposed setting up of a board to advise the governor in council as to the use of this money, and that in view of the fact it is going to spend money which belongs essentially to the producers of western Canada such a board should be very closely in touch with what might be considered in the best interests of the producers of western Canada. The personnel of such a board might consist, for example, of the presidents of western universities or the deans of agriculture of the western universities. If such a board were constituted it would doubtless come forward in a very short time with some suggestion to the government as to how this money might be used to the best advantage of the producers of western Canada.

The difficulty with the present legislation is that the wheat board is so busy with its normal work that it does not have the time, is not set up to investigate and would not want to weigh competing claims. I suggest, whether this resolution carries or is withdrawn, that the government should consider amending the legislation to put the matter of recommendation as to how this money should be used in the hands of a board of trustees constituted perhaps of the heads of the western universities or the deans of agriculture of the western universities. If the matter is placed in their hands there are so many worth-while matters that would be helpful to western agriculture about which they would know that there would be no delay in coming forward with suggestions as to ways in which this money might be used.

I think that is what the mover of the motion had in mind when he spoke about using this money for scholarships to be awarded to the sons and daughters of prairie farmers attending the universities of Manitoba, Saskatchewan and Alberta. I fancy that not only would he have in mind assisting the children of prairie farmers as such, but in addition that the work they might do would also be furthering the best interests of the farmers of western Canada. It is for that reason I suggest that this board should be composed of the deans of agriculture of the western universities, because in awarding these scholarships they would have in mind the people who would be likely to carry on for western agriculture. The proposed scholarships probably would be post-graduate research scholarships to enable research to be carried on in some field that needed work done in it, and for which there was not the necessary money.

I do, therefore, heartily commend the hon. member for Meadow Lake for moving this resolution. If we are going to have steps taken without delay to make use of these moneys, we need to put the matter into the hands of a special board set up for the purpose, and leave that board to deal with the way in which this money might be used. I would think the wheat board would be pleased to be relieved of this duty that is placed upon it by last year's amendment. I suggest that the government give consideration to further amending the wheat board act to provide for advice by this board, to be set up somewhat along the line I have mentioned. It seems to me that a board such as that would be better able to decide how best to use this money than we sitting here and making decisions more or less offhand.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, the only reason that prompts me to take part in this discussion is a fact which has been mentioned by many of the people who have spoken, that the subject is of interest to western farmers. Therefore I should like to say a few words in support of the principle involved. I heartily agree with the proposed disposition of this money.

Someone suggested that possibly it could be used to better advantage by educating the rest of the people of Canada as to the farmers' problems. I feel, however, that possibly the resolution does not go quite far enough. I have thought that possibly we could go a little farther with it. In view of the remarks by the Minister of Trade and Commerce a few minutes ago in that regard, that does not seem to be the case. I should like to read the resolution as proposed by the farm union of Alberta; the British Columbia bloc; the Saskatchewan farmers' union; the Manitoba farmers' union, and the Ontario farmers' union in their submission to the Canadian wheat board. They say:

> We would recommend, after moneys have been unclaimed in the Canadian wheat board funds for a period of six years that a special trust account be set up under a board of trustees approved by the farmers, that a portion of these moneys and the annual interest accrued thereon be made available to the three farm unions periodically on a basis of and in proportion to the amount of deliveries of grain during these years from each province.

This again brings up the fact that there are a great many farm organizations in western Canada which would undoubtedly lay claim to this money. I was a little disappointed on learning that the amount involved was not as great as some of us had been led to believe. I believe there are some 14 different farm organizations in western Canada which undoubtedly would lay claim to a part of this money. Nevertheless the idea is good, and it is something that has been proposed by other branches of agriculture. For instance, the stock organizations have been proposing that the horned cattle fund be turned over to the universities to carry on work in connection with livestock.

A year ago I had an opportunity of discussing this subject with Dr. Bell of the University of Saskatchewan who, incidentally, is Canada's outstanding man in the field of animal nutrition. He was deploring the fact that trained personnel were not available in the field of animal nutrition to carry out very important work which needed to be done. He also deplored the fact that facilities for carrying out the work were inadequate, and much time had to be consumed in carrying out particular research. It was felt that this did not apply only to universities in Saskatchewan but to many universities with which Dr. Bell had been acquainted. I know it can be argued that the money is being used to the advantage of farmers now. However, I feel that it could be used to even greater advantage. I had hoped that possibly we would have access to some of the principal in the hands of the wheat board, but as I said a moment ago the minister indicated that was not to be had.

I am sorry I cannot go along with the hon. member for Kindersley and support what he said about the lists of names of men who had money in this fund in order to locate them. I know that at my grain delivery point in Tisdale I have often seen lists of names of men who had money in this particular fund. When I heard the hon. member for Kindersley I thought possibly what I

had seen was not a directive from the wheat board, but the minister said a moment ago that the board had received co-operation in posting these names. I presume, therefore, there is some neglect on the part of local elevator agencies when these names are not posted.

However, I should like to add that possibly these names should be listed once a year in the local farm newspapers in order to do everything possible to see that these men are notified they have money in the fund. I believe there are a great many retired farmers who would be quite anxious to give that money to a scholarship that might further the aims of the agriculturists in western Canada. I believe that is a possibility that has some merit.

A moment ago I mentioned that no decision has yet been made about what to do with the horned cattle fund. I imagine that it will be turned over to this work, regardless of how small the fund may be. As the hon. member for Mackenzie stated, a fund of $14,000 or $15,000 would help. We are in hopes that it will be more than that, but even that amount could be used to great advantage.

I should like to mention just one phase of research work which is carried on in the University of Saskatchewan which could use money if it were made available in this way. I am thinking of the work done in connection with rhinitis, a disease of swine. I was out to the experimental farm in Ottawa recently in connection with research that is going on at the farm at Lacombe. Today there is absolutely no clue to a possible solution to this problem. In talking to Dr. Bell I was convinced that the solution will not be found until they have more trained personnel who are prepared to take on some of the more technical work.

I must go along with the hon. member for Kindersley, who has said that practical farm problems could be attacked if some of this money were made available. I might point out that a royal commission has been set up in Saskatchewan to deal with rural life. I am sure that before many months we are going to see that the position of the farmers in western Canada will have to be studied. It will require a great deal more study than can be given to it by one royal commission. Perhaps some of this money could be spent along those lines.

I think the idea in the resolution is sound, and I support the principle of it. Some move along this line has been long overdue, and I was happy to hear the Minister of Trade and Commerce speak as he did in support of this plan. I do not think I can add anything more at the moment. I think all hon. members are agreed that the principle is sound. In spite of what has been said by the Minister of Trade and Commerce and by the hon. member for Meadow Lake who sponsors the resolution, I still feel the amendment has merit, and I shall support it.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, no one I am sure will disagree with this resolution, dealing as it does with the problem of education in the rural parts of the prairies. It does make a small contribution to the subject of education in those areas. In our prairie provinces we are faced with many educational problems, the most important of which is the fact that only a small percentage of the rural young people take advantage of the opportunities offered in higher education.

The resolution would seem to offer some assistance in this direction, in giving encouragement by way of scholarships to the group of young people eligible to take advantage of higher education. Before coming to the house it was my opportunity to be in touch annually with most of the high schools in the western part of Manitoba, as well as southeastern Saskatchewan. I found that notwithstanding the increased enrolments in our universities and colleges since the war, it is still true that there are some rural communities that never send any of their high school graduates to institutions of higher learning, chiefly because the tradition of the pursuit of higher learning has not yet been generally established in the rural parts of the prairies.

I do not know the statistics for the provinces outside Manitoba, but I do know that some two years ago statistics for registrations at the University of Manitoba, as between rural and urban students, stood at a ratio of something like 75 per cent urban and 25 per cent rural. I am sure the same pattern would be established in the other prairie provinces.

Going a little further in this matter the Minister of Trade and Commerce suggested that the key problem in connection with the resolution was to decide how the money could best be disbursed for educational purposes. I would suggest that two critical problems in the rural west are those of entrance scholarships and the great need for encouraging research activities.

In connection with entrance scholarships, I am sure there are many eligible young people, so far as academic standards are concerned, who would carry on their studies in our institutions of higher learning, if the necessary financial stimulus was provided to

get them over the initial hurdle. Even though on the prairies tuition fees and general living expenses at our colleges and universities may not be as high as they are in the eastern part of Canada, it is still true, unfortunately, that the expense of higher education is sufficiently great to discourage many students who have demonstrated high academic ability in their high school education.

I am one who believes that any student who fits into that rare category of exceptional academic ability should have the opportunity to carry on his or her educational interests in a chosen field. There are many scholarship schemes already available in our prairie universities and colleges, but I do not think the demand could ever be exhausted. When we consider the relatively small sum that would be available from the fund mentioned in the resolution—I believe it amounts to $14,000 a year—I am sure there would be no difficulty whatsoever in apportioning the amount equitably among the three prairie provinces.

Therefore I would strongly recommend that in addition to setting aside part of this fund for research purposes, consideration be given to making some of it available for entrance scholarships. I would not leave the matter at the entrance level, because I know from personal experience that we have students who succeed in meeting the necessary costs in the first year of higher education, only to find it necessary at that time to withdraw. I suggest that any student who in his first year at university has demonstrated exceptional ability should be permitted to draw on the fund to assist in the continuation of his studies, if financial need demands such action.

I do not need to stress the great necessity for research. That has already been dealt with by several hon. members. In view of the relatively small amount involved, however, I suggest it might be wise to restrict the use of these moneys to agricultural research. The surplus funds result from wheat-producing activities, and it seems only reasonable to me that such money should be used, so far as research work is concerned, to deal with problems most closely related to the agricultural field.

Since world war II many veterans from western Canada have used their re-establishment credits to train for specialized agricultural research. I have friends who otherwise would not have gone beyond high school, who have taken their doctorates in agricultural research. Many of them are now becoming active in this important field. But these funds are drying up, and it might well be that as money becomes available through the surplus wheat board fund it could be used to fill the gap left with the completion of the D.V.A. rehabilitation program.

Turning now to the amendment, I have noticed that many hon. members who have spoken for the group that has brought forward this amendment, discovering the relative smallness of the sum involved, have begun to doubt the value of the amendment, providing that the money should be distributed among the various farm organizations. If the interest from this fund would not be more than $14,000 a year, there would be little merit in such a recommendation.

As far as general educational facilities are concerned I should like to point out that the extension departments of the three prairie universities are making an extremely valuable contribution to these activities. I refer particularly to the University of Manitoba because I have a most intimate knowledge of the activities being carried on there. The University of Manitoba has within the past few years reorganized its extension activities and appointed a full-time director of adult education. During the past two or three years its activities in connection with education among the adult population have increased at an impressive rate.

I know this work has only begun. It is hoped that regional directors of adult education will be appointed and scattered throughout the province of Manitoba to make the contribution that is so necessary in all phases of adult education, which of course would include subjects of agricultural interest. In addition to all this we have our agricultural representatives who make an excellent contribution in the field of popular adult education.

I was glad to hear the Minister of Trade and Commerce indicate that the necessary amendment making it possible to implement this motion had already been made to the wheat board act. In the strongest way possible I would suggest that something be done at the earliest moment to implement the recommendations being made here this evening as provided for in the wheat board act.

I believe it was the hon. member for Rosthern (Mr. Tucker) who suggested that an advisory board be established immediately to deal with the details involved in a program of this kind. I agree heartily with that suggestion. It seems logical to me that the deans of agriculture of the respective prairie universities would be the men best qualified to deal with specific recommendations.

I have one further suggestion to make. If it ever becomes difficult to decide who should be eligible for assistance from this fund I am sure the farm organizations, especially the 4-H clubs, could assist in the process of selecting the young people who would benefit most under this worthy program.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, if I were offering any objection to this resolution I think perhaps it would be that no reference to British Columbia is made in it. If I were offering an amendment I would suggest that the last two lines should read:

—the sons and daughters of prairie farmers attending the universities of Manitoba, Saskatchewan, Alberta and British Columbia.

While many hon. members may not have forgotten, perhaps they have overlooked the fact that quite a substantial amount of wheat is grown in the Peace river district of British Columbia, and to no small extent in the Creston valley district in my own riding.

There is perhaps an even more important point that has been overlooked in connection with this resolution. Where are the farmers who originally were entitled to this money which is now with the wheat board? I think it is inconceivable that the majority of them are still farming, because they have been alert to the fact that money was available and perhaps would be to their credit in the records of the wheat board. It is my opinion that a large number of the producers, either young or old, have migrated to British Columbia and retired. No doubt if advertisements were run in the British Columbia papers it would be found that a large number of claims would come from that province. If they did not come from the farmers themselves, undoubtedly there would be children of those producers who should be in a position, just as much as the children of Manitoba, Saskatchewan and Alberta farmers, to benefit from the terms of this proposed resolution.

This debate has pointed out one thing that we have always feared in connection with federal domination in the field of education. In the various resolutions that have been brought forward in this house requesting federal aid for education it has been pointed out that it is impossible to give substantial aid without there being some direction. As the hon. member for Mackenzie has indicated already, the C.C.F. party would wish, if these funds were set aside and controlled by federal legislation, to have strings attached. They are going to designate where the students should go, that they should not go to the United States or from province to province. It is just another indication of where we are going to head when we get into this particular field.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, as seconder of the resolution I should like to point out that apparently the amendment is the only part that is of much value, since what is proposed by the resolution has already been provided for by an amendment to the act. All that can be done now is to have the wheat board recommend to the governor in council what should be done with the money available. The governor general in council can then be influenced by recommendations from the board and it is up to us, I suppose, to let the board know what we as members of the house feel, and the board can pass on these recommendations to the governor in council. Since the minister himself is head of the wheat board I suppose the thing is pretty well cut and dried in any event.

Our amendment asks that a portion of the money which became available through this fund should be distributed to farm organizations throughout western Canada so they can carry on educational programs within their own organizations and among their own membership to the benefit of the people generally in their area, and I do not think we can use it for a much better purpose.

The educational program outlined here is quite good, and I would support the request of the hon. member who spoke last, that some benefits be made available to those people in that part of British Columbia who made contributions to this fund. Certainly they should be included in the whole set-up.

With regard to farm organizations and their educational work, anyone who has followed what has been done in the west among farmers who in the past have contributed this money and to whom it really belongs would know that ever since the inception of the old united farmers of Canada and ever since the organization of the Saskatchewan wheat pool they have set aside certain funds for carrying on educational work among farmers in the rank and file of their organizations. I do not think you will find a better informed rank and file among the agricultural population in any part of Canada than among the people of the west who constantly have these matters before them and who constantly study them. These organizations can speak with one voice, can agree on matters of principle and obtain agreement on what action should be taken and then strive toward their objective.

At the present time you have growing in western Canada one of the finest farm organizations that was ever developed, and that is the farmers' union. The Saskatchewan branch of the farmers' union held a convention in the city of Regina in December last, and they had 1,400 delegates from all parts of that province. At that convention they threshed out the problems facing western farmers and obtained the facts with regard to present and future markets, and in relation to the present Canadian surplus. They carry on research work, but they are hampered to a large extent because there are not sufficient funds available in order to study the various forms of farm organization and development; the marketing of livestock; the future needs of the world in agriculture; and what they can do to adjust their production under existing circumstances so they can meet what the world needs.

I do not think there could be a better use made of the funds that become available than in this fashion, so these organizations can be assisted in carrying on that kind of research. I am sure these groups would heartily endorse a proposal that money of this kind should be made available to them on a membership basis to carry on educational programs. After all, the welfare of Canada depends on the welfare of its people and its producers, and if these people know what the world's needs are and can adjust their production to meet the world's needs then agricultural problems and problems of surplus can be taken care of. It would ease the way for the future. You would have a better informed population, and the rank and file would know what was required.

I hope the minister will change his opinion with regard to the value of farm organizations. I do not think this money would be spread too thinly. I believe farm organizations would get together and decide where the money could be spent on the kind of research work that would be of value to them all. I think the Saskatchewan wheat pool, the Saskatchewan farmers' union, the Canadian farmers' union and the farmers' union of Manitoba are all working together and making a splendid contribution to the future welfare of their people. I do not believe these people, whose money this really is, would want anything better than that a large portion of it should be used to carry on the work of research and education among the farm organizations in the west.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I cannot hope in the short time left to make a contribution that would be of any value in this debate. I did intend to ask the hon. member from Kootenay East (Mr. Byrne) a question. Perhaps I may be permitted to ask that question through you, Mr. Speaker. When the hon. member advocated the inclusion of British Columbia, did he mean that this fund should be spent for the benefit of the province or the people in the province in proportion to the amount of contributions by the province? Was that his idea and is it his intention that British Columbia should have its share on that basis?

Mr. Byrne: Mr. Speaker, it is my contention that there are a large number of retired prairie farmers both young and old who have contributed a large amount to this fund, and I think they should share in the fund in proportion to their contribution. That is, if there are farmers who have retired and are living in British Columbia they should not be overlooked. If that would be difficult to work out, then let it be on the basis that British Columbia farmers who have made very great contributions would be paid on a per capita basis.

Mr. R. J. Wood (Selkirk): Mr. Speaker, I just want to say a brief word on this motion and on the amendment. I think the setting up of a fund as suggested by the hon. member for Meadow Lake is a very good idea, and I want to congratulate him for having proposed this motion. I think it should be borne in mind that this is a fund that has accumulated with the wheat board and is the result entirely of the efforts of the grain producers of the three prairie provinces; that this fund by which it is suggested we create scholarships would be set up on interest accumulated on securities to be bought by the board that would be appointed to look after the fund. That fund would provide scholarships for boys and girls of farmers of the provinces of Manitoba, Saskatchewan and Alberta, to enable them to study in the colleges of these three provinces.

Very important research work has been done in plant and cereal fields in years gone by and through that research, particularly in regard to the problem of rust, farmers in the west have saved millions of dollars. I know a young man from my constituency by the name of Leonard Shebeske who took up research work before the war and followed it up after the war under a similar scholarship which he obtained, and through hard work he is now a professor at the Manitoba college and head of the cereal and plant research work there. If a fund such as that

suggested in this motion were set up to encourage other young farm boys and girls to follow this type of work I think it would prove to be very desirable.

Just recently we had in this house an announcement by the Minister of Trade and Commerce that we have now what is known as Selkirk 15B rust-resistant wheat available in small quantities to farmers in Manitoba and eastern Saskatchewan at $5 a bushel. In the Winnipeg *Free Press* a couple of days ago I noticed a report to the effect that there is a big demand for this same wheat across the border in the United States at $100 a bushel, and that it is not available there. This gives a little idea of the value of research work of this kind.

The losses from rust in the western prairie provinces have been very great in the past. Back in 1935 I think the losses amounted to over $30 million; but, through research, losses last year amounted to approximately $8 million. As I say, through research these losses are becoming less year by year. Now with the introduction of this Selkirk 15B rust-resistant wheat the losses will be still smaller.

I think it is commendable that a fund of this kind should be set up to permit research work on plants and cereals in the universities. In view of the fact that this money has accumulated from the grain producers of the prairie provinces, I think it is proper that it should be spent to the benefit of the grain producers of those provinces. I believe the suggestion in the amendment to divide the money among the farm unions of the prairie provinces would just create a lot of trouble.

Mr. Argue: In what way?

Mr. Wood: The idea might be commendable, but we have many farm organizations in western Canada; and I would not want to be a member of any board which had to decide how that money should be divided. If that money could be divided without any trouble the idea might be commendable. I believe the idea of setting up a fund to give to boys and girls from the farms of the prairie provinces scholarships in the colleges of Manitoba, Saskatchewan and Alberta, in order to follow this class of work of research and the like, is highly commendable. Therefore I consider that this motion deserves the support of the members of this house.

Mr. Argue: Question.

Mr. J. H. Dickey (Halifax): I have followed this debate, Mr. Speaker—

Mr. Argue: Do not talk it out.

Mr. Dickey: —with a great deal of interest, as have the other members of the house. It has certainly served very well the purpose indicated by the Minister of Trade and Commerce, in that it has resulted in a number of members expressing fully and frankly the views they hold in connection with this matter, which is one of some concern.

My interest in the problem is not a practical one in the sense of my representing a constituency in which live and operate a number of producers who have a direct interest in this fund. My connection with it started when it became my duty some time ago to look through the files and see what had been done about this particular problem in the past. I must say that it was a highly interesting study.

In his remarks the hon. member for Rosthern suggested that the wheat board, being extremely busy with their business of selling wheat, should not be asked to give consideration to a problem of this kind. To the hon. member and to the house I should like to say that from the files it is evident that the wheat board have taken a real interest in this particular matter and that they have found time to give it considerable study and careful consideration. I believe they have agreed in principle with the suggestion of the Minister of Trade and Commerce that the interest from these funds should perhaps be used for purposes of education.

However, there is one thing that I think should be made clear, and it is this. Up to the present time the principal consideration has been in connection with the employment of the funds that are realized by way of interest on the principal amounts that have been and are still held for the persons actually entitled to them, namely the producers who are entitled to these participation payments but who, for one reason or another, have not received them.

The system is that the board keep a record of the participation—the deliveries—of the various producers, and they do not consider any of these funds as undistributed until the final payment of the pool has been made. Then the funds are considered as undistributed but are held for six years in the general funds of the board and, of course, are available to the producer whenever he comes forward and asks for payment.

Then as a result of the amendment to the wheat board act passed by this house at the last session, the act now authorizes the wheat board to pay into a special separate account the amounts which are regarded as undistributed. These funds are still held with the

idea and the hope that some day the person or persons really entitled to those funds, as owners, will come forward and collect them. For that reason no serious consideration has been given to disturbing the principal amount of these funds. However, it is recognized that it would be valuable to find some practical means of employing the moneys that accrue by way of interest to the benefit of producers of western Canada. That is really the problem that has to be solved.

Mr. Speaker, as it is ten o'clock—

Mr. Knowles: You did it. It is ten o'clock.

Mr. Dickey: —may I move the adjournment of the debate.

On motion of Mr. Dickey the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall consider first the amendment to the Northwest Territories acts, and then the Criminal Code. Should we complete that business, we shall proceed with consideration of the bills standing in the name of the Minister of Mines and Technical Surveys (Mr. Prudham), with respect to the boundary between the provinces of Ontario and Manitoba, and with respect to the Explosives Act.

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

HOUSE OF COMMONS

Tuesday, January 19, 1954

The house met at 2.30 p.m.

THE LATE CHARLES DELMAR COYLE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, it was with deep regret that we learned just a few hours ago that another member of this house had quite unexpectedly passed away. I refer to Mr. Charles Delmar Coyle, the hon. member for Elgin, who was with us last week and whom I think most of us regarded as enjoying good health.

Mr. Coyle was born in Kinglake, Ontario, in 1887, and educated there. He was a farmer and tobacco grower, and he also found time to render outstanding service to his fellow citizens in his community. This service included that of occupying the positions of reeve of Bayham township and warden of Elgin county.

He was first elected to the House of Commons for the constituency of Elgin in 1945, and successfully contested that seat in both elections since that date.

He took a keen interest in the work of parliament and made a real contribution to the work of the committees of which he was a member. In fact, I understand he expected as recently as yesterday to be with us today, and to attend meetings with officials of the government. He always worked hard and conscientiously to serve the best possible interests of his constituency and of the country. That his efforts were appreciated is well indicated by the fact that he was returned at the last election with a substantial majority. During his lifetime he established a fine reputation for his industry and public-spiritedness and for his personal integrity.

I should like to extend to the Leader of the Opposition (Mr. Drew) and to members of his party our sincere sympathy in the loss of a valuable member; and to Mrs. Coyle and her family our very sincere condolences in her and their bereavement.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I know that all members of the Conservative party will appreciate very much the expression of sympathy extended by the Prime Minister (Mr. St. Laurent); and that Mrs. Coyle and her two sons and her daughter will greatly appreciate the sympathy expressed by the Prime Minister on behalf of all the members of the House of Commons.

It does come as a great shock to all of us who were closely associated with him, as I know it does to every member, to see a man suddenly leave us in this way when he was in apparently the very best of health, even until last night. He was here in the house last Friday until the house adjourned at ten o'clock. There are members here who walked down with him from the house on that occasion just prior to his departure for home where he stayed over last night to attend a meeting of a service club in his own riding in order to be associated, as he has been for so many years, with those who have served that community.

Like many others in this house, as the Prime Minister has already mentioned, Charlie Coyle, as we all knew him and shall continue to know him, had served his own community in many capacities and for many years. He had that ground work of public service that comes through association with municipal council. He was a councillor for years, then he was reeve of his own township, and then he received the highest honour that can be conferred in the local municipalities in the rural areas when he became warden of his own county. He was highly respected and greatly loved by all who knew him.

One of the things that make it so difficult to realize even yet that he has left us is that with his lovable and friendly qualities he had made a wide circle of friends, which I know embraced every member of this house.

I do hope there will be some very real measure of comfort for his family in their tragic and sudden loss in the knowledge that his associates are thinking of his family at this time and sharing, at least in some measure, their sorrow in the loss of a devoted public servant.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I wish to associate myself and all members of the C.C.F. group in the expressions of sympathy and appreciation that have been made by the Prime Minister (Mr. St. Laurent) and the Leader of the Opposition (Mr. Drew) in regard to the death of Mr. Coyle.

During the last parliament Mr. Coyle sat over here on this side very close to us.

The late C. D. Coyle

Generally speaking, I have found that when you get fairly close to people and get more or less to know their intimate thoughts, you find that there is a great deal of humour and, if I may say so, a great many lovable qualities about them. That is how we felt about Mr. Coyle. When we see members from back here, we just glare at one another; but when we get as close to members as we are to our friends here, we find that they are really a good bunch of fellows; and Mr. Coyle was one of the best.

We wish to extend our sympathy to the Leader of the Opposition (Mr. Drew) and his party, and to Mr. Coyle's relatives.

Mr. Solon E. Low (Peace River): Mr. Speaker, I rise to associate this group for which I speak with the tributes which have been paid to the late hon. member for Elgin (Mr. Coyle) and to extend to his family and to his party in the house our sincere sympathy in the loss of a very fine man and follower.

Mr. H. O. White (Middlesex East): Mr. Speaker, it is on an occasion such as this that we probably get to appreciate one another better when we lay aside for a moment or two the cares of the country and of parliament and consider our friend who has passed on. It has been my privilege to know him through three parliaments. He has been my roommate for some five years. I came to know Mr. Coyle very intimately; and I agree with the words of other members who have spoken previously. I know that he was a man of integrity. He was a man of good judgment. I greatly respected his opinion on the various matters that came up from day to day. I can only join with those who have already spoken in paying my tribute to him and in conveying my condolences and sorrow to the bereaved family.

HOUSE OF COMMONS

APPROVAL OF REPORT OF CIVIL SERVICE COMMISSION RESPECTING CERTAIN EMPLOYEES

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, by leave of the house I should like to move, seconded by the Minister of National Revenue (Mr. McCann), that the report of the civil service commission respecting certain employees tabled January 18, 1954, be now approved. By way of explanation, may I say that this report refers to two members of the staff whose names were omitted from the list of those who were granted increases before Christmas.

Motion agreed to.

[Mr. MacInnis.]

EXPORT CREDITS INSURANCE ACT

AMENDMENT TO INCREASE AUTHORIZED CAPITAL STOCK, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to amend the Export Credits Insurance Act to increase the authorized capital stock of the Export Credits Insurance Corporation from five million dollars to fifteen million dollars; also to require the corporation to continue the underwriting reserve to cover future losses under contracts of insurance; and to provide further for certain changes in connection with the administration of the act.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

SENATE AND HOUSE OF COMMONS

AMENDMENTS TO INCREASE SALARIES OF SPEAKERS AND DEPUTY SPEAKER, SESSIONAL ALLOWANCES OF MEMBERS, ETC.

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce measures to amend

(a) the Senate and House of Commons Act to increase the salaries of the Speakers and the Deputy Speaker, the sessional allowances of members of the Senate and of the House of Commons and the annual allowances of the members occupying the recognized positions of leader of the government in the Senate, Leader of the Opposition in the Senate and Leader of the Opposition in the House of Commons;

(b) the Salaries Act to increase the salaries of ministers mentioned in sections 4 and 5 thereof, substituting for the Minister of Resources and Development, the Minister of Northern Affairs and National Resources and adding thereto the Associate Minister of National Defence.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

INCOME TAX

REFERENCE TO PRESS REPORT—DEDUCTIBILITY OF PROVINCIAL PAYMENTS FROM FEDERAL TAX

On the orders of the day:

Mr. Leon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Prime Minister. Is there any truth in

the reports that have appeared in the press over the last couple of days to the effect that the federal government will deny to the taxpayers of the province of Quebec permission to deduct from their federal income tax the portion paid in income tax to the provincial government?

Right Hon. L. S. St. Laurent (Prime Minister): There is no truth in that report. The federal government has not had any official information of the intentions of the Quebec government with respect to local income tax in the province of Quebec. Until we have something more precise and of a more official character than what we have read in the newspapers, we shall not feel it necessary to give consideration to that matter.

HOUSING

VANCOUVER—REQUEST FOR ASSISTANCE IN HOUSING AGED CITIZENS

On the orders of the day:

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Has the minister received a letter from the mayor or acting mayor of Vancouver asking for a financial contribution to a plan for the building of homes for persons on old age security and old age assistance pension? I think he said "senior citizens" in the letter. Has the minister replied to this communication? If so, what was the nature of the reply?

Hon. Paul Martin (Minister of National Health and Welfare): The minister has received a letter from the acting mayor of the city of Vancouver, and the minister has answered that letter. In his answer he has pointed out that the subject matter referred to the minister was one that should have been referred to the Minister of Public Works (Mr. Winters). The letter from the acting mayor of Vancouver has been referred to my colleague, the Minister of Public Works. The question was whether the Central Mortgage and Housing Corporation would be prepared to extend to the city of Vancouver credits to assist in a housing scheme for aged citizens. While the Department of National Health and Welfare is naturally vitally interested in this problem, the authority if it exists is vested in another minister.

Mr. MacInnis: I wish to ask a supplementary question. Did not the writer of the letter also ask or suggest that the federal government itself might contribute the amount of $200,000?

Mr. Martin: That might have been the thought that was in the mind of the acting mayor, but he has not communicated it to me.

Mr. MacInnis: I thought it was in the letter.

[*Later:*]

Mr. Martin: I should like to say to the hon. member for Vancouver-Kingsway that since making a reply to his question one of my officials has sent in the letter and I find that the hon. member was correct when he said that the figure of $200,000 had been mentioned in the letter. However, that does not alter the reply I gave.

COMMONWEALTH FINANCE CONFERENCE

REQUEST FOR REPORT ON RESULTS

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I should like to address to the Prime Minister a question of which I have given him notice. Is the Prime Minister able to give the house any information with regard to the results achieved at the recent commonwealth conference in Australia which ended a few days ago?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker. The Minister of Finance (Mr. Abbott) has not made any direct report to the government as yet about that conference. The only information we have is the information that the hon. member himself probably has, namely the press reports of the statements made by the participants at the end of the conference.

POWER

REFERENCE TO PRESS REPORT OF PROPOSED SURVEY BY THERMO EXPERT

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, may I be permitted to direct a question to the Minister of Mines and Technical Surveys? It arises out of a press dispatch in the Halifax *Chronicle-Herald* of January 15, 1954. The caption of the article was "Top Thermo Power Expert engaged to undertake Survey". Has the minister seen this press dispatch? If so, would he care to make an official statement to the house, as the subject matter is one of great importance to the maritime provinces?

Hon. George Prudham (Minister of Mines and Technical Surveys): I wish to thank the hon. member for giving me notice of his intention to ask this question. I have not seen the press dispatch to which he refers

and I have no comment to make on it today, but I hope to be in a position to make a statement in the near future.

PASSAMAQUODDY PROJECT—INQUIRY AS TO PARTICIPATION IN ECONOMIC FEASIBILITY SURVEY

On the orders of the day:

Mr. A. J. Brooks (Royal): I should like to direct a question to the Secretary of State for External Affairs. My question is based on an Associated Press dispatch of January 16 which states that a subcommittee of the United States Senate foreign relations committee has recommended an economic feasibility survey of the Passamaquoddy tidal power project by the United States army engineers in conjunction with the international joint commission. Is it the intention of the Canadian government to join with the United States and assist with this survey?

Hon. L. B. Pearson (Secretary of State for External Affairs): My hon. friend was good enough to give me notice of his question about which inquiries have also been addressed to me by the hon. member for Charlotte. I have seen the press dispatch to which reference has been made and we have made inquiries concerning it but have not yet received an official report from the Senate subcommittee in question through our embassy in Washington. However, I have no reason to believe that the press report is not accurate. The suggestion that is said to have been made by the subcommittee for a full-scale investigation of this project costing approximately $3 million is not a new one, and I can assure hon. members that if and when the United States government makes a specific proposal for investigation of the possibilities of this tidal project it will be examined most carefully by the government.

AGRICULTURE

REQUEST THAT STANDING COMMITTEE HEAR REPRESENTATIONS RESPECTING IMPORTATION OF FOREIGN OILS

On the orders of the day:

Mr. H. O. White (Middlesex East): I wish to direct a question to the parliamentary assistant to the Minister of Agriculture. Will the standing committee on agriculture be called to hear representations of the dairy industry regarding the importation of foreign oils?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): I feel that this is a request that any group of members could make to the chairman of the committee, and if he deems it proper he will call the committee together to discuss it.

ATOMIC ENERGY

PROGRESS IN DEVELOPMENT BY CANADA FOR INDUSTRIAL USE

On the orders of the day:

Mr. Colin Cameron (Nanaimo): I should like to direct a question to the Minister of Trade and Commerce. In view of the disclosures by the British government, as reported yesterday in the press, of the advances made in Britain in the field of developing atomic energy for industrial uses, can the minister tell the house if similar developments are taking place in Canada?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Work on atomic energy in Canada has for several years been devoted to domestic development. We have not carried on our work at Chalk River with the intention of developing war uses for atomic energy. The experimental work for peace has been proceeding actively for some years. Considerable progress is being made, and I think that Canada will not be behind other countries in bringing atomic energy into practical use.

WATER POLLUTION

NORTH SASKATCHEWAN RIVER—INQUIRY AS TO ACTION BY FEDERAL GOVERNMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of National Health and Welfare. Would he say what his department has done since I brought to the attention of the department some three weeks ago the pollution of the waters of the North Saskatchewan river caused, it is said, by the dumping of certain chemicals into the river at Edmonton resulting in the water being almost totally unfit for use in Prince Albert and also latterly in the city of North Battleford? Would the minister also say what attitude the federal government intends to take to preserve from pollution the waters of rivers that flow through two or more provinces?

Hon. Paul Martin (Minister of National Health and Welfare): My hon. friend was kind enough to give me notice of his question. He asks first of all what, pursuant to the inquiry made of my officers in my absence, was the situation resulting from communications made by the Department of National Health and Welfare to the appropriate departments of health of the provinces of

Saskatchewan and Alberta. Contact has been made with the officers in the two departments of the two provinces. The facts of the matter have been ascertained. The responsibility for remedying the situation is recognized by both provinces as not coming within the competence of the federal government. Indeed, whether or not there was that acknowledgment I would have to submit that would have to be the situation as far as the federal government is concerned, for this is clearly a matter that does not come within the competence of the federal government.

My hon. friend asks a supplementary question as to what the effect would be of polluted waters flowing from one province into another, and what steps the federal government would be prepared to take in that eventuality. I have to say that again the judgment of the department would be that that was not a matter within the competence of the federal government. My hon. friend will find that this matter—I do not mean this particular situation but the principles involved—was fully discussed in the house in 1949, and the discussion can be found at page 571 of *Hansard* of October 6. However, the supplementary question raised now has some new aspects, and I have suggested to the departmental solicitors that they might care to discuss the matter with the law officers of the crown.

Mr. Diefenbaker: During the past seven weeks it has been human beings who have suffered, but now I understand that the condition of the water is dangerous to the fish. Will that result in some action by the federal government?

Mr. Martin: I was going to say that my hon. friend was perhaps fishing for a further answer, but I think what he has said does not really contribute anything more than what I have said about the matter. If there is any further problem involved it will be discussed.

NATIONAL FILM BOARD

INQUIRY AS TO RECONSIDERATION OF REMOVAL TO MONTREAL

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 say whether press reports appearing during the last twenty-four hours respecting the national film board are correct and if the government does intend to reconsider its decision to move the national film board from Ottawa? At the same time I would ask whether there will be an opportunity to discuss the matter if this is so.

Right Hon. L. S. St. Laurent (Prime Minister): There has been no decision reached in that matter. What is under consideration at the present time is the tenders that were submitted for the construction of a building in Montreal. They are all of a very substantial amount, and the matter that is now under consideration is as to whether or not the government will recommend the appropriations required for that large expenditure at this time.

Mr. Drew: Do I understand from what the Prime Minister has said that, having regard to the amount involved, the government may actually be reconsidering whether it will or will not move the national film board from Ottawa?

Mr. St. Laurent: No decision has been reached in that regard, but until the government comes to parliament with a definite recommendation for a definite amount to be expended for a building at a definite place there is always a possibility that changes in the recommendation may be made.

Mr. Drew: There is always a possibility that reason may prevail.

VANCOUVER PARKS

WITHDRAWAL OF GRANT TOWARD COST OF FIRING SIGNAL GUN

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Transport. Has the attention of the minister been drawn to the views of the parks board of the city of Vancouver and the editorials in the Vancouver papers relative to the decision of the department to cease, after February 28, allowing the sum of $1,000 a year for the supply of powder for the firing of the 137-year-old traditional nine o'clock gun in Vancouver? If so, why is there discrimination against Vancouver, and will the minister reconsider?

Hon. Lionel Chevrier (Minister of Transport): I do not know that there is any urgency with respect to this question. I think it is the kind of question which should be placed on the order paper, and if my hon. friend will do that I shall see that he gets an answer.

Mr. Winch: May I say that it is a matter of urgency.

Some hon. Members: Order.

Mr. Winch: May I say that the date for cessation has already been set.

Some hon. Members: Order.

IMMIGRATION

INQUIRY AS TO GOVERNMENT POLICY

On the orders of the day:

Mr. J. W. Dufresne (Quebec West): I should like to direct a question to the minister of immigration. On January 11, 1954, in an address delivered before the members of Knox Presbyterian church at St. Thomas, Ontario—

Some hon. Members: Order, order.

Mr. Dufresne: I shall start over again, Mr. Speaker.

Mr. Speaker: Order. May I ask hon. members to remain silent so I can decide whether or not the question is in order.

Mr. Dufresne: In an address delivered before the members of Knox Presbyterian church at St. Thomas, Ontario, the minister discussed the government's policy concerning immigration into Canada. Was the minister on that occasion outlining the official policy of the government? Must one conclude that the government intends to maintain the demographic balance between Canadians of French origin and those of British origin to the proportions which existed in 1867?

Mr. Speaker: I think the hon. member will agree his question is not the type of oral question which is allowed before the orders of the day. There will be a time when a debate will be conducted on immigration affairs and the hon. member can then discuss that statement or obtain further information concerning the purpose of the government in pursuing its policy.

Mr. Dufresne: May I add that I gave notice of my question to the minister yesterday.

Mr. Speaker: If the hon. member gave notice of a question which is not in order, that does not mean the hon. member has a right to an answer.

TRANS-CANADA HIGHWAY

REPORTS OF ALLEGED FRAUD—INQUIRY AS TO ACTION

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): In the absence of the Minister of Public Works, perhaps the parliamentary assistant could take my question as notice and bring an answer tomorrow. Has the attention of the government been drawn to recent newspaper reports of alleged fraud involving federal government expenditures on the Ontario portion of the trans-Canada highway? If so, has the government considered naming any independent firm to investigate the charges?

Mr. Maurice Bourget (Parliamentary Assistant to the Minister of Public Works): I shall be glad to take notice of this question and get the information as soon as possible.

NORTHWEST TERRITORIES

AMENDMENTS RESPECTING ELECTIONS, APPOINTMENTS TO COUNCIL, ETC.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources) moved the second reading of Bill No. 77, to amend the acts respecting the Northwest Territories.

He said: Mr. Speaker, the bill to amend the acts respecting the Northwest Territories is divided into two parts. As I explained at the resolution stage, it is necessary to amend both the existing Northwest Territories Act and the new Northwest Territories Act which will not be proclaimed until after the new Criminal Code is enacted. The amendments to the existing act are contained in part I of the bill, and the amendments to the new act are contained in part II.

When we were at the resolution stage, Mr. Speaker, I explained some of the purposes of the bill as they are mentioned in the explanatory notes in the bill. The purposes which I have already discussed are as follows:

(a) to provide that the governor in council may, after the expiration of two years from the return of the writs of election of elected members of the council, dissolve the council and cause a new council to be elected and appointed;

(c) to add provisions relating to reindeer and penalties similar to those already included in chapter 331;

(e) to provide that the governor in council may appoint a member of the council in place of an elected member who resigns.

Other amendments will increase the time within which copies of ordinances enacted by the territorial council are to be transmitted to the governor in council from 10 days to 30 days, and raise the living allowance payable to members of council from $15 to $25 per day. Both these provisions are already contained in the new Northwest Territories Act, chapter 331 of the Revised Statutes of 1952.

Both the existing act and the new act are to be amended to clarify the provision relating to indemnity and living allowances, and to include provisions relating to the holding of land similar to those added to the Yukon Act by chapter 53 of the Statutes of 1952-53. This amendment is necessary in order that

the territorial government may hold title to public buildings constructed with territorial funds.

Another amendment to both acts provides for authority being given to the territorial government to enter into agreements with the government of Canada under and for the purposes of any act which authorizes the federal government to enter into agreements with the provinces. This will enable the territorial government to receive assistance under any such acts in the same manner as the provinces are now receiving it. As an example, I might mention that negotiations are now under way for assistance being given under the Vocational Training Co-ordination Act, which will be made possible when the bill is passed.

In the course of the debate on December 10 on the resolution for introduction of the present bill, the Leader of the Opposition suggested that it would be desirable to take advantage of this amendment to increase the elected representation on the council of the Northwest Territories. The council legislates for the territories, in the manner of a provincial legislature, and also advises the commissioner on questions referred to it. At the present time the council consists of 8 members, of whom 3 are elected and 5 are appointed by the governor in council. The Leader of the Opposition proposed that the number of elected representatives should be raised so that "they will balance the appointed representatives and give greater opportunity for representation, consistent with the same contact with the government."

Following the hon. member's suggestion I undertook to discuss the matter with the members of the Northwest Territories council who were meeting in Ottawa at that time.

The question of the size of the council and of its composition is, of course, not one that comes within the jurisdiction of the council itself. However, the matter was discussed informally with its members. I may say to the Leader of the Opposition that the general feeling of the members, both elected and appointed, was that there is a great deal of merit in his suggestion. They were unanimously of the opinion that, if the government were disposed to recommend such a change, they would be in favour of an amendment to the Northwest Territories Act that would provide for some increase in elected representation.

With regard to the extent of any increase in representation that might be made at this time, the feeling of the members was that account had to be taken of the varying degree of development of the different parts of the Northwest Territories. At the present time much the largest proportion of the population of the territories is concentrated in the western part of the district of Mackenzie—particularly in the basin of the Mackenzie river itself. The 3 constituencies that send elected members to the council are all in the district of Mackenzie. There are no elected representatives from any part of the districts of Keewatin or Franklin, which make up the eastern part of the mainland and the Arctic islands. The view of the members of the council was that the population and state of development of the districts of Keewatin and Franklin is not such at the present time that it would be desirable, or even feasible, to have an elected member from a constituency that covered those areas, or any part of them. They consider, however, that the objective should be to have a member from that part of the territories as soon as the development and the growth of population justifies it.

In the circumstances, the members of the council were of the opinion that the best course at this time would be to amend the Northwest Territories Act to increase the elected representation from three to four. The fourth constituency would be inserted in the district of Mackenzie. The definition of the boundaries of the constituencies is done by ordinance of the council of the Northwest Territories. It is not a matter for this parliament.

The necessary changes would be made before the next election in the territories, which will probably take place in September, 1954. Provision for the fifth elected member, which the Leader of the Opposition (Mr. Drew) had in mind, would be held in reserve for a further amendment at a later date when the growth and development of the territories has made it clear that the addition is desirable and has shown more clearly just what the area should be that the additional representative would cover.

That is the advice of the members of the council of the Northwest Territories. Since they themselves feel that the fifth elected position ought to be held in reserve, I think that is the best course to follow. Up until 1951 there was no elected representation on the council at all. The proposed increase of one will be an indication of the kind and direction of the progress in self-government that is desirable. Further development will come as circumstances justify it.

In view of the importance of this proposal to the people of the Northwest Territories, I have discussed it with my colleagues and I am glad to advise the Leader of the Opposition that, at the appropriate stage in the

consideration of the present bill, I shall ask one of my colleagues to move an additional amendment which will increase the size of the council of the Northwest Territories from eight members to nine, and the number of elected members from three to four.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I welcome the statement by the minister that the government has decided to make this increase from three to four, and welcome, too, the manner in which the statement has been made. It is encouraging to feel that, out of a discussion of this kind, we can find a substantial measure of agreement in matters of great importance for the years ahead.

I accept without any criticism or objection the suggestion by the minister that the decision to designate a fifth area in which there would be an elected member for the time being should stand in abeyance. I would have welcomed a decision to do this at the present time; but I think there is a great deal of merit in the view he has expressed.

The important thing is that a decision to increase the number of elected representatives is positive evidence to the people in northern Canada, as well as the people in other parts of this country whose interest we wish to arouse in the north, that there is a steady movement toward elected representation for that area.

By the standards of representation in the southern areas of Canada, the numbers in those northern parts are small. It is not likely that at any time there will be a great concentration of population in the north. Nevertheless within a comparatively few years we have seen enormous changes taking place. It is only a few years ago that there was practically no mineral area of importance in the north, with the exception of the romantic Yukon. Since then we have seen the discovery of increasing quantities of rich ore of different kinds. The Northwest Territories have played a vitally important part in the development of atomic energy. In many ways the north beckons to the young and the vigorous, to people of all ages, who look for the rewards that come with adventure and with new developments such as we have seen in that part of Canada.

I appreciate the words in which the minister announced the decision of the government. I should hope the fact that we can find such a substantial measure of agreement as to the desirability of dramatizing in some measure the move toward greater representation in the northern area would be a happy augury of the approach to be made to the broad problems of that great internal empire. Numbers of population are small. I agree with the minister that in the Keewatin and Franklin areas it would be so small that it would be difficult to have separate representation there at the moment, with any sense of reality. Nevertheless we recall that the Franklin area is one of the historic sections of Canada. Who can tell that any part of that great northland will not provide new opportunities in the years ahead.

All Canadians should regard the north as an important area for development. There are reasons why the government and parliament should seek in every way to encourage increased population in that area.

We speak often about our neighbours to the south, but not nearly so often in friendly terms about our neighbours to the west and north. Yet, the fact is that only a little more than 50 miles of open water separates this continent from the mainland of Russia. Our great northland is of vital importance in many ways. I do not often speak of Russia as offering us examples of desirable things, but I must say it is worth noting that Russia has been devoting a great deal of attention to the development of its northland, and to the opening of new possibilities for supporting population in that area. We will hope that those developments will be for peace rather than for war—peace that will provide opportunities for us and for other people.

I would hope that in every way possible we would direct our attention to that distant area so as to encourage young Canadians and others who have not yet come to Canada to seek opportunity there. I welcome the minister's statement today respecting the proposed change and accept it as a gesture on the part of the government which will be welcomed by parliament, and as an indication that we are interested in the expansion and development of the north.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

Mr. Lesage: The act respecting the Northwest Territories, chapter 195, reads as follows:

2. In this act,
(h) "Minister" means the Minister of Resources and Development;

When Bill No. 77 was printed, after the resolution was passed, the name of the Department of Resources and Development had not been changed. Now that it has been changed we might as well profit by the occasion and move that paragraph (h) of section 2 of the Northwest Territories Act, chapter 195 of the Revised Statutes of Canada, 1952, be amended to change the

words "Resources and Development" to "Northern Affairs and National Resources". I would ask the Minister of Citizenship and Immigration kindly to move that amendment.

Mr. Harris: I move:

That Bill No. 77, an act to amend the acts respecting the Northwest Territories, be amended by adding the following as clause 1 thereof:

1. Paragraph (h) of section 2 of the Northwest Territories Act, chapter 195, of the Revised Statutes of Canada, 1952, is amended by deleting the words "Resources and Development" and substituting therefor the words "Northern Affairs and National Resources". And that the remaining clauses of part 1 of the bill be renumbered accordingly.

Amendment agreed to.

The Deputy Chairman: Section 1 now becomes section 2.

On section 2—*Tenure of elected members.*

Mr. Lesage: Mr. Chairman, when I made my statement on second reading I said that at this time I would ask one of my colleagues to move an amendment following the suggestion of the Leader of the Opposition regarding an increase in the number of elected representatives on the Northwest Territories council. This is the time to move the amendment, and I would ask the Minister of Citizenship and Immigration kindly to do so.

Mr. Harris: I move:

That clause 2, as renumbered, of Bill No. 77, an act to amend the acts respecting the Northwest Territories, be deleted and the following substituted therefor:

2. (1) Subsections (1) and (2) of section 8 of the said act are repealed and the following substituted therefor:

"8. (1) There shall be a council of the territories consisting of nine members, four of whom shall be elected to represent such electoral districts in the territories as are named and described by the commissioner in council, and five of whom shall be appointed by the governor in council."

(2) Subsection (4) of section 8 of the said act is repealed and the following substituted therefor:

"(4) Unless otherwise provided in this section, an elected member of the council holds office for three years from the date of the return of the writ after his election."

(3) Subsection (6) of section 8 of the said act is repealed and the following substituted therefor:

"(6) Where an elected member resigns or dies while in office, the governor in council may appoint a member in his stead for the balance of his term of office.

(7) The governor in council may, at any time after the expiration of two years from the date of the return of the writs of election of elected members of the council, dissolve the council and cause a new council to be elected and appointed".

(4) Subsection (1) shall come into force on a day to be fixed by proclamation of the governor in council.

Mr. Hardie: Are we dealing with the subsections having to do with the death or resignation of a council member?

Mr. Lesage: Yes.

Mr. Hardie: A few moments ago the minister said that in 1951 the Northwest Territories Act provided for the first elected representatives to sit on that council. Prior to that time, in 1946, I think it was, the act provided for the appointment of a resident of the territory to sit on the council. In the case in question, if a member dies or resigns, provision should be made for a by-election to permit the people to tell us whom they want to send down here. It has been said, and I agree, that in the Northwest Territories it is very difficult to hold an election at certain times of the year. For the first eighteen months after an election of those members, a by-election should be held to fill a vacancy. It would be the only democratic thing for us to do to replace, by means of a by-election within the first eighteen months after the election, a member who dies or resigns. In the case of an appointment after eighteen months the act should provide—and I hope the minister will agree—for the appointment of a resident of the constituency that was represented by the man who died or resigned. I feel strongly on this. If we are going to act in a democratic way we should make the appointment from residents of the constituency of the man who died or resigned. That is all I have to say.

Mr. Lesage: There is a great deal in the representations and suggestions which have just been made by the hon. member for Mackenzie River and we have considered the suggestions.

May I point out first of all that in 1946 the act did not provide—as a matter of fact no act ever provided—for the appointment of a resident of the territory. That was a matter of policy which was followed in the appointments, but the act never provided for it.

The hon. member himself has mentioned one of the difficulties of having by-elections in the north. We can have effective by-elections or elections in the north in a period of only three or four months, at the most, in the year. We feel that every constituency should be represented as far as possible at every session of the council. At the last session of the council, following the resignation of the then member of the council who has since taken his seat here, the constituency could not be represented because the act did not provide for the replacement of a member who resigned; it provided only for the replacement of a member who died. Provision for the replacement of a member who died was by appointment because of the very high cost of holding elections in the territories.

Second, the government wanted to be sure that every constituency would be represented at meetings of the council. It would not have been possible to hold a by-election in the Northwest Territories following the resignation of the then member, Mr. Hardie, who is now the hon. member for Mackenzie River in this house, before the meeting of the session of the council last December.

May I give a few figures on the cost of elections in the Northwest Territories. I might mention that appropriation for expenditures of $1,236.73 was made in connection with the plenary conference held between representatives of the chief electoral office and the three returning officers. This was the only item of expenditure made by this administration in connection with these territorial elections. The other expenditures were made by the chief electoral officer out of his own funds. I have obtained from him details of expenditure broken down by electoral districts and these are as follows: Mackenzie West—a little over $7,000; Mackenzie South—$2,677; Mackenzie North—$3,664.96. That is a total of over $13,000, and that is apart from the appropriation made by the territorial council itself under ordinance No. 1, dated February 15, 1951, providing for the sum of $11,000 for the cost of elections.

As to the suggested inclusion in the act of a condition that an appointment be conferred only upon a resident of a constituency, it seems to me that is more a matter of policy than one of legislation. No member of this house has to reside in his constituency in order to be elected. I feel that is a matter for the electors themselves to decide. I believe we should not create a precedent by requiring the appointed representative to reside in the district. On the other hand, I wish to assure hon. members that, unless there is something very exceptional, this government will see to it that any appointment that has to be made in accordance with that section of the act will be conferred upon a resident of the constituency wherein the vacancy occurs.

Mr. Hardie: I am happy to see that the policy will be to appoint the man in the constituency, but I feel, considering what the minister said concerning members of this house, that such a person will not have to reside in the constituency he represents. I am sure any member of this house who went to another constituency would receive his nomination from that constituency. In other words, the people would have some say as to whether he was to run. We are speaking now of an appointment and I feel this provision should be incorporated in the act. The person appointed should come from the constituency represented by the man who died or resigned.

As to the cost of elections, you will notice that in Mackenzie West the cost was over double the cost of the election in Mackenzie South or Mackenzie North. According to what the minister said a few minutes ago, an additional member will be representing the constituency where the cost of election is so high, and I would venture to suggest that the cost of running a by-election in any one of the four constituencies would be $3,500 at the most. I still feel there should be a by-election over the 18-month period. In the district of Mackenzie South there are only two periods during the year when an election cannot be held. One is at the break-up between the months of May and June, and the other is at the freeze-up during the months of October and possibly part of November. In the other constituencies on the Arctic coast the holding of a by-election may be a little more troublesome but even then the election could be held in August or September or any of the months from December to April.

Mr. Lesage: I am sure my hon. friend knows much more about the north than I do, but I have read quite a lot about it and I am informed by my advisers that it would be impossible to hold an election in wintertime unless we wished to disfranchise the Eskimos who are then living their nomadic life.

Mr. Hardie: During the federal election there was in the electoral district of Mackenzie West, at Stanton and Paulatuk, a total, I think, of 70 votes, and in the constituency of Mackenzie North, at Coppermine and Bathurst Inlet, there was a total vote of, I think, around 70. I still believe that as long as these people are in the forts at Stanton, Paulatuk, Coppermine or Bathurst, elections could be held in the winter just as easily, or possibly more so, than in summer, as the returning officer can travel in a plane equipped with skis during the winter. People come into these forts at various times during the year, and for instance at Coppermine last winter there were more people in the fort than during the summer months.

Mr. Adamson: I can see the point raised by the hon. member for Mackenzie River in regard to the cost of a by-election in a territory as sparsely populated as the Northwest Territories, but my fear is that if a member of the council dies or resigns, then the residents of the Northwest Territories will be

at the mercy of Ottawa. They feel that somebody in Ottawa will appoint someone they do not know. I do not say that will happen but that is the feeling. Would it not be at least a step halfway in the direction of meeting the wishes of the member for Mackenzie River if the territories council appointed a member rather than the governor in council?

The Chairman: Shall the amendment carry?

Mr. Lesage: That suggestion has been considered but the trouble is that the appointed member would be sitting with the members who have done him the favour of appointing him. On the other hand, following the policy I propose, a member is appointed by the governor in council and he will sit on the Northwest Territories council. The policy I would follow is to appoint a resident of the district which he would represent. Such a person would then feel much freer vis-à-vis his colleagues than if he had been appointed by them.

Mr. Adamson: I think the minister's argument is rather tenuous because I feel the point is that he would be sitting amongst his electors.

Mr. Lesage: Those who have appointed him.

Mr. Adamson: Yes, those who have appointed or chosen him. And he would be responsible to those who form the council. But I think the argument is tenuous in that regard.

Mr. Green: If this legislation is passed will the position be this, that if a member of the territories council dies or resigns then there cannot possibly be a by-election?

Mr. Lesage: Mr. Chairman, that is the position now if a member dies. I would refer the hon. member to section 8, paragraph 6 of the present act, which now reads as follows:

> Where an elected member dies while in office, the governor in council may appoint a member in his stead for the balance of his term of office.

The only words which are added are "or if he resigns". We are following exactly the same policy as that which was followed in the case when a member dies. We are just providing for a case which had not been provided for, namely the case of resignation of a member, which happened last summer.

Mr. Green: Why should power not be taken at least to hold a by-election? The chances are that one could be held. Yet as the act will read, the government could not possibly call a by-election. Why not take the power to hold a by-election? Surely that method of filling a vacancy is to be preferred. Suppose the present member for Mackenzie River were to resign from the house. His seat would have to be filled by a by-election. Surely it is just as easy to elect a member to one of the territorial seats as it is to elect a member to the federal house representing the whole area, or easier. Why cut down the democratic rights of these people, as is obviously being done under the law at the present time?

Mr. Lesage: As I have already explained, I and my officers believe that it is really important that each constituency should be represented at each session of the council. The council meets twice a year, once in the wintertime here in Ottawa and once in the territories early in the summer. After weighing the pros and cons, it was found that the only way in which to provide representation at each of the sessions of the council for every local constituency was to have the vacancy filled by appointment because the time of the year when it is impossible to hold elections in the territories is so long; it is practically five-sixths or at least three-quarters of the time.

As to the suggestion that the governor in council would have the option of deciding, should there be an election or should there be an appointment, that can be dealt with by the difficulty that I have just encountered. The hon. member for Mackenzie River says it is possible to hold an election in the wintertime.

Mr. Green: He probably knows.

Mr. Lesage: I am advised by my officers and by the officers of the chief electoral officer's office that it is not to be recommended and that it is not feasible in a democratic way. I do not wish to be faced with that option at this time. I am ready to consider the whole thing again, but at this time I believe that if we want to have representation from each local constituency at every session of the council, it is important that the filling of a vacancy after a resignation should be provided for by appointment.

Mr. Green: What length of time is required for a by-election?

Mr. Lesage: According to our experience in the first election and with the coming election now, it takes about six months to organize an election in the territories. One of the reasons why I asked the leader of the house to give some priority to the second reading of this bill is that we intend to hold an election in September, and it is urgently necessary that we start work now for an election in September.

Mr. Green: Is the fourth member of the council to be appointed or elected?

Mr. Lesage: The fourth member of the council will be elected in the next general election. The provisions dealing with the reorganization of the territories into four constituencies will come into force by proclamation, and we intend to proclaim that paragraph or section of the bill when the council is dissolved after its next meeting which is to be held in Yellowknife on June 14 next.

Mr. Hardie: I do not want to hold this matter up unduly, but I think there are times when a by-election might be held. For instance, if a man died or resigned any time prior to the month of June, it would be possible to hold a by-election in September. I think some provision should be made whereby there could be a by-election. I go so far as to say that I would go along with the minister if he would have the section worded in some way that would allow a by-election within six months of the death or resignation of the member. If they cannot call one within six months, then they can make an appointment.

Mr. Green: I think the representations of the hon. member for Mackenzie River should be given serious consideration. I am quite sure he knows the conditions there far better than anyone here in Ottawa. The whole democratic process is at stake. You are setting up a council, some of the members of which are elected. Yet there is this provision that there cannot be a by-election. The term of that council may end up with the whole nine having been appointed. I think we could well afford to go the whole way but at least provide that there shall be power to hold a by-election.

Mr. Lesage: I just want to say a word, not to take exception to anything which has been said because I hate to take exception to what hon. members have to say. I agree that the hon. member for Mackenzie River knows much more about his constituency than do all of us in the house, but the chief electoral officer himself well knows how long it takes to organize an election in the Northwest Territories. He knows even better than I do how long it takes to organize an election in Montmagny-L'Islet; and he certainly knows better than does the hon. member for Mackenzie River how long it takes to organize an election in the district of Mackenzie. I am informed that it is necessary to pass the bill so that he can, starting in February, organize the election for next September.

Amendment agreed to.

[Mr. Lesage.]

Section as amended agreed to.

Sections 3 and 4 agreed to.

On section 5—*Regulations respecting reindeer.*

Mr. Green: On December 10 the minister promised that he would look into the question of the raising of musk-ox in the Northwest Territories and give a reply during the debate.

The Deputy Chairman: I may have been responsible for some misunderstanding here. I have been calling the clauses as renumbered. We inserted a new clause 1. The printed clause 4 is now clause 5. Therefore I think the hon. member's question comes under the original clause 5 which is now renumbered clause 6. Clause 5 as renumbered is carried and we are now on clause 6.

Mr. Lesage: It is true, Mr. Chairman, that when we were at the resolution stage I undertook to give the hon. member for Vancouver-Quadra some information regarding musk-ox. I have some here which I will give now if he wishes to have it.

In the early days of the fur trade a great number of musk-ox robes were taken. This led to a great reduction in numbers on the Canadian mainland. Exploration and development in the high Arctic led to similar reductions on many of the islands. The animals are easily destroyed as they form a defensive circle when attacked. This repels the wolves but leaves the musk-ox vulnerable to the rifle.

In 1917 the musk-oxen were given total protection and the export of robes from Canada prohibited. In 1927 the Thelon game sanctuary was established to protect the last stronghold of the species on the mainland, which area was thought to contain 250 animals. By 1937 the population was estimated at 290, and under continued protection the sanctuary population has continued to grow to the present estimate of 600 to 1,000.

In 1930 the total Canadian musk-ox population was estimated to be about 14,000 animals, 500 of which occurred on the mainland. In 1937 the mainland estimate rose to 1,200. The mainland population has continued to grow, though improved transportation facilities have no doubt led to increased musk-ox sightings and consequent apparent increases in population figures. At present herds outside of the Thelon game sanctuary are known to occur at the following localities: north of Great Bear lake, 90 animals; Bathurst inlet, 500 animals; and in the vicinity of Pelly bay where there is no count.

The recent increased aerial reconnaissance in the Canadian Arctic archipelago has added considerable information to our knowledge of musk-ox distribution in that area. They are known to occur on Banks, Victoria, Prince Patrick, Melville, Eglinton, Bathurst, Cornwallis, Devon, Graham, Axel Heiberg and Ellesmere islands. The population on Ellesmere island is considerable. Herds of 500 and 200 have been estimated on the Fosheim peninsula and south coast respectively. There is every reason to believe that the population of this interesting Arctic mammal will continue to increase under proper management and may yet yield valuable products for the Arctic economy.

May I also mention at this point that when we were at the resolution stage some very high figures were mentioned for the population of reindeer. Following that discussion there has been mention in one newspaper, I believe, of the population of reindeer in Alaska as being 20 million. A few zeros should have been taken from that figure, for it is 20,000.

Mr. Green: Are there economic possibilities for the musk-ox herds in the north? My question of course is based on the article in *Maclean's* magazine for August, 1951, by Vilhjalmur Stefansson. In that article he referred particularly to the musk-ox. He seemed to place more importance on them than on reindeer. He told of spending a year on uninhabited Melville island which is north of the 75th parallel. He went to to say:

> Our chief source of food was the shaggy, sheep-like, hulking ovibos, often miscalled musk-ox . . . The meat is excellent, the hair makes a wool finer than cashmere and does not shrink when dyed or washed.

He went on to say that a magnificent way to use much of the otherwise forbidding northern land would be by using it for the development of musk-ox herds. He then said:

> The musk-ox, whose feeding habits are even better suited to the north than the reindeer, could do far better. I estimate that Canada's north could maintain a hundred million musk-ox, which is the equivalent of 400 million sheep. What such a vast industry would do for Canada, and what such supplies of food might do to assist in other developments of the north such as mining and oil, I leave to your imagination.

Those figures may be much too high but even if they are within shooting distance of the truth this development might be very significant. Can the minister tell us whether or not Stefansson was reasonably accurate in his statement?

Mr. Lesage: The information given by Stefansson is of course accurate. The musk-ox can be used for its fur and for its meat, but it is because there are so few musk-ox that we have to prohibit their killing. One thing must not be forgotten. While the annual increase of reindeer is about 25 per cent the annual increase of musk-ox is not more than 10 per cent. Musk-ox females have their calves only every two years. The rate of increase is very slow. We have to protect them, and it is still too early to think of drawing any economic benefits from the musk-ox which, by the way, is a wild animal while the reindeer is domestic.

Mr. Green: I hope it is the policy of the department to build up herds of both these animals. Is that correct?

Mr. Lesage: That is correct. That is our policy, and that is why we have very strict regulations, in order that we may increase the population of both reindeer and musk-ox to the extent where they will be an economic asset in the development of the north.

Mr. Knight: I do not know whether the minister will remember that the last time this subject was under discussion I brought to his attention certain allegations—they appeared to me to be allegations—that had been made in a book which I think should deeply touch our consciences, namely, "People of the Deer" by Farley Mowat. I am not sure, but I think that at that time the minister said he would look into the subject and see what he could tell me about it when this measure came up in committee. If the allegations contained in the book are true, it is a terrible indictment of neglect upon the part of somebody, and I do not know anybody better to blame than the department of the dominion government that handles these affairs.

It is true that some of Mr. Mowat's assertions were denied publicly, and to that denial he replied in terms which I see no reason to disbelieve. His allegations were that a certain tribe of Eskimos, who are not sea-going Eskimos and are not even found along the seacoast, have been allowed through various circumstances to disintegrate, and that in fact their numbers were decreased and even depleted by starvation. The theme of the book is that the natural way these people live is through the use of their natural food, the reindeer. They were coaxed away from their natural manner of life, and I think in some cases there is an allegation made against the Hudson's Bay Company. I did note that the Hudson's Bay Company was severely critical of the book, and I believe approached the library authorities of the provincial government in Toronto suggesting that perhaps the book should be removed from the shelves. I do not know whether or not that is true, but that is what I have heard.

Now, the allegation is that these people were separated from their ordinary means of livelihood; that they were induced to work for private companies, notably certain fishing companies, and when the market for fish disappeared, these people were thrown back on their natural resources, but at that time the natural resources, the caribou, were not available. I have been able to give only an incomplete résumé of the whole situation, but I should like to know if the minister has anything to tell us about it. It is a rather serious business. It involves the lives of people. It involves their extermination by starvation. As a matter of fact, the regulations concerning the preservation of caribou have improved, and I am glad to see that this section provides for that.

I was interested enough to write to my friend the minister of natural resources in Saskatchewan, Mr. Brockelbank. I need not read the whole of the letter. I was protesting that the government allowed hunting parties to go up there, particularly in aeroplanes, to bag these caribou. I am glad to say he has informed me the practice has been stopped, and that the year 1950-51 was the last year in which caribou were killed for sport. I take it these regulations in the bill will be strictly enforced. Mr. Brockelbank suggested that perhaps the worst offenders were not these outside people who came to enjoy the sport. By the way, I imagine it is an expensive sport and that most of the hunters come from south of the line in their own aeroplanes. It was suggested that the Eskimo themselves were not guiltless in the matter. I quote from his letter where he says:

> However, I would point out that much more important in the question of preservation of the caribou is the conservation of the herds by the native people themselves. Too often in the past they have wantonly slaughtered the caribou for dog feed . . .

He goes on with some other matters that are not relative to the question. The thought of people dying out there for want of assistance certainly touched my conscience, if it did not touch the conscience of the people in the department.

I made some inquiries of the department in the last parliament by putting questions on the order paper. I have to say that the replies I received were not adequate. I would not like to call them evasive, but they certainly were not satisfactory to me at that time. I am informed now that this tribe, the so-called Ihalmiut—I am not suggesting that people should copy my pronunciation because I do not know how it should be pronounced—are now subsisting largely on the charity of the members of some military expedition in that north country. The assertions are that such aid as the government did send to them, when it finally was seized of the importance of the question, was too little and too late. For example, white flour is not much good to an Eskimo.

I have covered a lot of ground. I have to admit my ignorance of the subject, but one of the purposes of a discussion in committee of the whole is to find out these things. Some time ago I gave the minister a warning that I would pursue the question. I notice he shakes his head, which means he has no recollection of such a warning. It was the former minister. In any event, I should like to have his comments on this matter.

Mr. Lesage: The first important question is that the hon. member has suggested this book "People of the Deer" should be suppressed.

Mr. Knight: I have not suggested it. I say someone suggested it. I mentioned that it was rumoured that the Hudson's Bay Company thought it would be advisable to have this book suppressed from the shelves of certain libraries. I say that is a rumour, and I am merely giving it as such.

Mr. Lesage: It amounts to the same thing if the hon. member thinks it might be advisable to suppress the book from the shelves—

Mr. Knight: Mr. Chairman, how many times, in my inadequate English, do I have to explain that I am not in favour of censorship or anything like that?

Mr. Lesage: I am sorry; I misunderstood.

Mr. Knight: I said that certain people had reported to me, as a rumour which I cannot substantiate, that the Hudson's Bay Company —can the minister hear me?—suggested that perhaps, in view of the attack that had been made upon the reliability of Mr. Mowat's assertions, it would be a good thing if this book were suppressed from certain library shelves. May I say that I welcomed the writing of the book just as I welcome the writing of any controversial book which makes people think, and which might be the subject of a discussion such as the one we are having now. I hope we are now clear on that point.

Mr. Lesage: I am clear, Mr. Chairman. Since I misunderstood the hon. member and had gathered that he was making the suggestion at that time, he will not be surprised if I say that I was surprised that a proposal for suppressing a book should come from a socialist. If the hon. member agrees with me, I would suggest the thing to do would be to take that book from the factual shelves and

put it on the fictional shelves of the library because it is based on false and partial information.

Mr. Knight: The minister has completely misunderstood me. He is putting too much emphasis upon this part about suppressing the book. Let us leave that out. What I am seeking is information from the minister concerning the allegations made in that book. What are the comments of the minister upon the whole situation, and the allegation that that particular tribe was allowed to be starved and separated from their natural means of livelihood? Let us have no red herrings. This book is merely a red herring.

Mr. Lesage: I just said, and I do not believe I can say anything more, it is false, the allegations are false. If the hon. member wishes to have a detailed criticism of that book indicating the extent to which the information upon which the book is based is false, I am sure that my officers and especially my deputy would be delighted to send it to the hon. member so he will have an opportunity to peruse it. There is nothing more false than that part of the book which says that a certain tribe was allowed to perish by starvation. There is no ground at all for that allegation.

Mr. Knight: Does the minister say, then, there have been no such occurrences as the one described concerning any tribe of Eskimos in that territory?

Mr. Lesage: Years ago there were some cases of starvation, I am afraid. One can appreciate how difficult communications were in the north before it was possible to have air patrols up there. There might very well have been cases of starvation because of the sudden disappearance of the caribou from their usual migration routes. The basic information in the book is false. It was based upon partial information. As I said, I do not have in my mind all the facts concerning the allegations in the book, but I shall be delighted to have an officer give the hon. member all the information he requires in order that his soul, as a member of this parliament, may be at peace and that he will not believe he has been at fault in allowing starvation to occur in this country without any measures being taken against it.

Mr. Knight: Since the minister has said categorically that these things are false I should like to say that I, too, have information from what I consider a fairly competent authority stating that such allegations are largely true. I think it is only fair to the writer of the book that I should say that. The attack upon the book was made by A. E. Porsild. While I do not wish to go into the whole matter, I may say that I have read Mr. Mowat's reply.

I would ask the minister if it is not a fact that a government department did receive from Mr. Mowat, and from others who were investigating the problem at the time, certain reports, and if it is not true that there was a great deal of delay on the part of the department in investigating the truth of those reports, or sending relief as a result of them.

It is a matter which should be cleared up, in the public interest. Of course what is bygone is bygone; we cannot bring back lives. I bring this to the attention of the House of Commons, the department and the public generally in the hope that things like this will not occur again and that we may have more prompt action on behalf of people who are in difficult circumstances and people for whom, as in this instance, we have assumed responsibility.

Mr. Lesage: At the time the book was written and the events occurred to which my hon. friend has referred, I was not very well versed in either northern affairs or Eskimo affairs. However, I am now informed by responsible officers in my department that the information in the book is false, and that the statement just made by the hon. member would not be exactly correct. My officers are in a position to give information to the hon. member which would satisfy him that there was no delay by the proper officers in doing whatever was necessary to cope with any emergency.

Mr. Knight: I think it would be wise if the information, which the minister asserts his officers can give, were to be given publicly, to the whole country. I do not blame the minister, or any other minister; but I do say that if he will look into my question and the replies given—I cannot remember the exact date—he will admit that they are pretty vague and wobbly. Any department, or any minister as sure of himself as the minister seems to be now, would have been able to set forth information to prove that the allegations in Mr. Mowat's book were in fact false.

The minister's statement that these allegations are false is a pretty broad one. I take it that he makes the blanket assertion that the statements contained in the book are not in fact true. I do know that reports went in to the department.

Mr. Adamson: Would it be possible to have Dr. Porsild's monograph on the subject given to those members who may be interested in it? I have listened to this controversy before,

and I would be interested in knowing what the facts of the matter are. I am a great admirer of Dr. Porsild, because he is the man who brought the reindeer from Alaska to the Northwest Territories, and one who probably knows as much about game in the Northwest Territories as any living man. While I have read the book, I have not read the monograph written by Dr. Porsild, and I would be interested to do so. Indeed, I think hon. members generally would like to see it.

Does the department make a grant to the Arctic Institute of Canada? Is the department carrying on any research with a view constantly to increasing northern limits of vegetation? If so, would the minister give us information on that, either from his department or otherwise? That is one of the most interesting subjects affecting the northwestern section of Canada.

Mr. Lesage: I thank the hon. member for his suggestion and, if it suits the wishes of hon. members, I will see to it that Dr. Porsild's monograph is mimeographed and distributed to them. I shall undertake to do that. This would be one of the best answers to the allegations contained in the book "People of the Deer".

I might reply to the hon. member by saying that the department does grant $5,000 a year to the Arctic Institute. And, as to his question about developing agriculture in the north, I would reply that an experimental station is operated at Fort Simpson by the Department of Agriculture.

Mr. Knight: Let me suggest that in all fairness in this controversy, one in which I am not taking sides—because I am making no accusations—if Dr. Porsild's statement is to be made public then the reply by Mr. Mowat to Dr. Porsild's review should be made public so that hon. members could come to their own conclusions.

Mr. Mowat did spend a good deal of time in the north country and among these people in the study of their habits and to learn their language. I have in my hand a copy of the reply by Farley Mowat to A. E. Porsild's review, and I would be prepared to put it on the record. However, I do not want to hold up the discussion in committee by doing so, because a good deal of Mr. Mowat's work is not directed to the main question but rather toward certain allegations made by Dr. Porsild to the effect that he, Mowat, was not qualified and that he did not spend time in the north country so as to be sure of what he was talking about.

[Mr. Adamson.]

However, there is this reply, and in the interests of fair play, if Dr. Porsild's denials are to be published, then this should be published too. It is available.

The Deputy Chairman: Shall the section carry?

Mr. Knight: No. If the government is going to mimeograph Dr. Porsild's reply at public expense, then I suggest that it should mimeograph the other at the same time. It would require only a small addition. Does not the minister consider that that would be the fair way to handle the matter?

Mr. Lesage: I do not want to enter into this controversy, and I can see no reason at all why we should perpetuate it. Under the circumstances, since the hon. member objects, nothing will be mimeographed.

Mr. Churchill: Then are we simply left in the position that we have to accept the minister's statement that Mowat's book is false? That is what we are left with.

Mr. Adamson: I think that is a very unsatisfactory statement to leave on the record. The allegation is correct or it is false. There is expert testimony on it. I do think the department owes it to this house to have that expert testimony made available.

The Chairman: Perhaps I am somewhat at fault in this matter by allowing the discussion to have proceeded so far. We should have limited ourselves to a more strict consideration of the clauses themselves. However, my understanding is that the clause is carried.

Mr. Lesage: May I say that anyone who is interested in having any expert information has only to tell me or come to my office and he will easily get it.

Section agreed to.

On section 6—*Resignation or death of elected member.*

Mr. Lesage: I have here an amendment corresponding to the one which was made when we dealt with new clause 1, and I would ask the Minister of Citizenship and Immigration to move the amendment.

Mr. Harris: I move:

That Bill No. 77, an act to amend the acts respecting the Northwest Territories, be amended by adding the following as clause 7 thereof:

7. Paragraph (f) of section 2 of the Northwest Territories Act, chapter 331 of the Revised Statutes of Canada, 1952, is amended by deleting the words "Resources and Development" and substituting

therefor the words "Northern Affairs and National Resources". And that the remaining clauses of part II of the bill be renumbered accordingly.

Amendment agreed to.

The Chairman: Would hon. members mind if I kept to the numbers which appear in the bill as printed before us?

Mr. Lesage: No. Before we get to that point I have another amendment that I should like to ask one of my colleagues to move. It is an amendment corresponding to the one which was made in the first part of the bill, following the suggestion of the Leader of the Opposition, which was accepted, to increase the number of elected representatives. I would ask my colleague, the Minister of Citizenship and Immigration, to move accordingly.

Mr. Harris: I move:

That clause 8, as renumbered, of Bill No. 77, an act to amend the acts respecting the Northwest Territories, be deleted and the following be substituted therefor:

8. (1) Subsection (1) of section 8 of the said act is repealed and the following substituted therefor:

"8. (1) There shall be a council of the territories consisting of nine members, four of whom shall be elected to represent such electoral districts in the territories as are named and described by the commissioner in council, and five of whom shall be appointed by the governor in council."

(2) Subsection (5) of section 8 of the said act is repealed and the following substituted therefor:

"(5) Where an elected member resigns or dies while in office, the governor in council may appoint a member in his stead for the balance of his term of office."

Amendment agreed to.

Section as amended agreed to.

The Chairman: Clause 7 now becomes clause 9. Shall it carry?

Section agreed to.

The Chairman: Clause 8 now becomes clause 10; shall the clause carry?

Section agreed to.

The Chairman: Clause 9 now becomes clause 11; shall the clause carry?

Section agreed to.

The Chairman: Clause 10 now becomes clause 12; shall it carry?

Mr. Lesage: I have another amendment to move, because this new disposition providing that there shall be four elected representatives cannot come into force before the present council meets next June. This new provision for four elected representatives instead of three on the council should come into force when the present council is dissolved and writs are issued for a general election which will be held next September. That is why we have to provide that this part of the present amendment shall come into force on proclamation, which proclamation will be on the day the governor in council dissolves the present Northwest Territories council in order to hold an election next September. I would ask my colleague to move this amendment.

Mr. Harris: I move:

That Bill No. 77 be further amended by adding thereto immediately after clause 12 thereof, as renumbered, the following clause:

13. Section 48 of the said act is repealed and the following substituted therefor:

"48. This act or any provision thereof shall come into force on a day or days to be fixed by proclamation of the governor in council."

Mr. Knowles: This is new clause 13.

Mr. Lesage: New clause 13. It is consequential to the other amendments.

Mr. Adamson: That means that this act will come into force in two sections?

Mr. Knowles: A dozen sections.

Mr. Adamson: In a number of sections.

Mr. Lesage: That is right.

Mr. Adamson: The reason for this is the same as in redistribution legislation, that the redistribution act comes into force on the day parliament is dissolved.

Mr. Lesage: That is right.

Mr. Adamson: But the other sections can come into force at once?

Mr. Lesage: At the moment the Criminal Code comes into force. We are waiting for that to have chapter 331 come into force.

Mr. Adamson: Apparently the period of gestation and the coming into effect of that act will be as long as the period of gestation of the musk-ox.

Mr. Lesage: Well, it might be.

Amendment agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time?

Mr. Knowles: Next sitting.

Mr. Speaker: Next sitting.

CRIMINAL CODE

REVISION AND AMENDMENT OF EXISTING STATUTE

The house resumed, from Tuesday, December 15, consideration in committee of Bill No. 7, respecting the criminal law—Mr. Garson—Mr. Robinson (Simcoe East) in the chair.

Criminal Code

On section 1—*Short title.*

Mr. Garson: During the discussion of the last order of business a remark was made about a certain developmental period in relation to that piece of legislation. Bill No. 7 has had an even longer period of development. A royal commission was set up to inquire into it, on February 3, 1949.

That commission reported in January, 1952, and the first bill consolidating the Criminal Code was introduced in the other place in May, 1952. At the end of that session it died on the order paper in the other place. It was then redrafted in the light of discussions in the other place and its committee and reintroduced in the other place in the fall session of 1952. It was reported from the other place on December 16 of that year with no less than 116 amendments.

That bill then came to the House of Commons in the early part of 1953 and was sent to a special committee of this house where it received detailed consideration, section by section, from beginning to end; and it was reported, as those members of the present house who were in the last parliament will recall, with some 70-odd amendments in addition to those which had been made by the other place.

The bill therefore which we are about to consider in committee has already received a very great deal of consideration indeed; first by the royal commission for a period of some three years, then by the drafting officers of the Department of Justice, then by the other place in two separate legislative sessions and by its committees, and finally at the last session of parliament by a special committee of the House of Commons.

Hence it should not be surprising if it would be possible for us in considering the sections of the bill in committee of the whole perhaps to be able to approve of them in an expeditious manner. To that end I would suggest there is no better method than to follow the procedure that was followed with great success in the committees of the other place and in the special committee of the House of Commons, namely that the sections should be called one by one.

Our experience in these other committees was that the great majority of sections, being merely a re-enactment of sections of the present Criminal Code which have been the law for a long period of time, are passed without comment. When we came to some particular section or group of sections of a more serious character, such as, for example, those relating to sedition, treason, criminal liability and the like, if any of the opposition parties or for that matter the government members wish to examine such sections more carefully, we set them aside for this purpose. In the same way now, with a view perhaps to reconsidering the conclusion in relation to such clause which has been recommended by the special committee of the House of Commons, we might set aside such sections and come back and consider them after we had gone through the whole bill. In that way we can proceed with some expedition through the whole bill, and then come back and give regard to the difficult sections separately at the end.

I am sure I do not need to emphasize that the Criminal Code as we have it deals with a large group of subject matters that in the United Kingdom, which does not possess a criminal code, are covered by some 150-odd separate statutes. Each of these subject matters to which I have referred, such for example as treason and sedition, is most important. If therefore we feel that we should not accept the conclusions to which the committees of the other place and the special committee of the House of Commons have come, then I think we owe it to ourselves and the people who sent us here to give very serious consideration and subject to carefully considered debate every matter that is reserved in that way.

With that in view I would suggest that we might start consideration of the bill section by section. If there is any question in relation to any one of them which can be disposed of by brief discussion, then we might deal with those now and pass it. If we come to any question that promises to develop into a more serious debate, perhaps it would be better to set it aside and come back to it later on.

Mr. Fulton: Mr. Chairman, I can say at once on behalf of the official opposition that the procedure outlined by the minister is acceptable and conforms to the preliminary and informal discussions we have had outside the chamber as to the best and most efficient method of dealing with this very lengthy bill. I am grateful to the minister for making this statement because it will explain to the house and to the committee itself, and to others who may be watching our proceedings or be interested in them, what perhaps would otherwise be open to misunderstanding and subject to the interpretation that the members of the committee are not considering this serious and important legislation with the care it deserves.

What the minister has said makes it clear that what we are going through here is in

fact the last stage of a process of consideration which has occupied some four or five years—

Mr. Garson: Five years.

Mr. Fulton: —and consideration by other bodies including this house and its own special committee. I would imagine that a large number of the sections will carry almost automatically, but that does not mean they have not already received the serious consideration which they deserve.

Mr. MacInnis: I think the method outlined by the minister will be entirely satisfactory to us. The minister was good enough to talk the matter over with me before the Christmas recess, and I indicated at that time that I thought it was the most satisfactory way of dealing with this very important bill.

May I say, as an incentive to the minister to do the best he can here, that if he will be as fair on this committee and as anxious to get every point of view as he was in the parliamentary committee last year, then we will get along very well indeed.

I would make only one further observation to the committee, and it is one that I found it necessary to make to the minister on several occasions during the sitting of the committee last year, namely that this is no mere consolidation. There is an enormous volume of new material in the new Criminal Code, and we should be very careful that in so far as this is a change from the old code it is a change for the better. I will say again that I have no doubt we can deal with this last phase of this very exhaustive examination of the matter satisfactorily.

Mr. Thomas: I just want to say that we have no objection whatsoever to examining this bill in committee as suggested by the minister. We feel there is no reason to hold up the non-contentious items. There is no reason why we cannot get through with them and hold up the others for further consideration. I will not say any more at the present time, but undoubtedly on some of the individual items I will have more to say.

Mr. Knowles: May I just make one point so it will be clear. My colleague the hon. member for Vancouver-Kingsway has already indicated that we are in agreement with the procedure suggested by the Minister of Justice. The one point I had in mind is this. Obviously there will be many sections, in view of the exhaustive consideration that has been given to them, which we will agree to without asking that they stand or without asking questions. However, it may develop that after some section has gone by, something that develops later will have a bearing on an earlier section or that a member will wish to say something about a section about which nothing was said in the earlier discussion. I am sure the minister is agreed—I know it from something he said to me privately—that so long as there is good faith on both sides we can go back to such a clause. I thought that point should be made clear now.

Mr. Garson: I am glad that my hon. friend has raised this point, because it was one that I did not cover in my own remarks and I think perhaps I should have done so. In the special committee at the last session, as the hon. member for Vancouver-Kingsway who was then the hon. member for Vancouver East has just said, we found that we were able to achieve a great deal of harmony in the committee by addressing ourselves to the task of getting as good a code as possible and not showing any interest whatsoever in scoring procedural victories over one another. I think I am correct in saying that at any time a member wished, for substantial reasons—and he never asked to do so for any other reasons—to reopen a section, there was never any hesitancy in so doing. We found that by opening up a section, instead of arguing whether it should be reopened, very often we could get the whole matter disposed of and get on to the next section in the time which would have been taken in arguing whether or not it should be reopened.

Section agreed to.

On section 2—*Definitions.*

The Chairman: Shall the section carry? Carried.

Mr. Fulton: Not too fast, Mr. Chairman. There are a great many pages.

The Chairman: Shall the section carry?

Section agreed to.

On section 3—*General.*

Mr. Knowles: May I ask a question about paragraph 1 of section 3? This is not anything that is important enough—

The Chairman: Order. May I make this observation at this time. It will perhaps put the chairman in a difficult position to decide how long a debate is going to take place on any particular section. I was wondering whether it would not be a more satisfactory procedure simply to allow to stand a section on which any questions were to be asked.

The chairman cannot possibly anticipate in advance how long debate or questioning will take.

Mr. Knowles: With respect, Mr. Chairman, I think the minister's suggestion on that point should be considered. I think this section is a good example. The question I wish to ask about this section is just a question for the purposes of information so that I, as a layman, might understand the wording. I do not think it is worth letting it stand over. I believe hon. members themselves will know whether the questions or the points they are raising are likely to be contentious and prolong the debate, or whether they are really just something in passing.

Mr. Garson: Yes, Mr. Chairman; I think probably our experience in the other committee last year indicated that it was not hard to determine almost at once whether a certain topic could be concluded fairly quickly or was going to develop a long discussion. Our practice in the latter event was for the government to throw in the sponge at once by agreeing to set it to one side, and not waste time in carrying on an argument as to whether or not we should adjourn it. I think we might follow that practice in the present case. I think perhaps we can dispose of my hon. friend's question right away, if he will ask it.

Mr. Knowles: Yes. I am sure this is a question that will not make it necessary for the government to throw in the sponge; not yet, at any rate. That will come later.

Mr. Sinclair: Not in your time.

Mr. Knowles: Will the minister tell us in simple language what section 3, paragraph 1, means? I wonder whether it would not have been possible to word the clause in a way that would have been clearer to some of us ordinary people?

Mr. Garson: At the risk of being thought facetious, Mr. Chairman, I think it means what it says.

Mr. Knowles: But does it say what it means?

Mr. Garson: Yes; it says what it means. Any difficulty that my hon. friend experiences in interpreting it arises from the fact that one of the functions which a legal draftsman has to perform carefully is to make sure that it does say what it means even though, in some cases, in doing so it may not be, on the surface, too intelligible. The paragraph reads as follows:

> For the purposes of this act a person shall be deemed to have been of a given age when the anniversary of his birthday, the number of which corresponds to that age, is fully completed, and until then to have been under that age.

When the anniversary of his birthday, the number of which—we will say the tenth anniversary of his birthday—corresponds to that age, then until that tenth birthday is reached, he is nine.

Mr. Knowles: Just a minute. I thought I understood it; but in view of the minister's explanation I am now not so sure. The minister said that until that person's tenth anniversary is reached or until his tenth birthday is reached, he is still nine.

Mr. Garson: Yes.

Mr. Knowles: What is the meaning of the words in the paragraph to suggest that it is until that anniversary is fully completed? When is the person ten years old in relation to his tenth birthday? Let us say a child's tenth birthday is on July 1. When is he ten years old?

Mr. Garson: At midnight of that day.

Mr. Knowles: Midnight of the 1st of July?

Mr. Garson: Yes.

Mr. Knowles: Midnight between July 1 and July 2?

Mr. Garson: Yes.

Section agreed to.

Section 4 agreed to.

On section 5—*Punishment only after conviction.*

Mr. Fulton: I have a question which I think is a relatively simple one to answer. I am not raising it as a point of substance, although I would ask the minister just to give it something more than cursory consideration. I refer to subsection 2 which, according to the explanatory note, is new and which provides as follows:

> Subject to this act or any other act of the parliament of Canada, no person shall be convicted in Canada for an offence committed outside of Canada.

It may be—and I should be glad to know whether this is the case—that this merely puts into statutory form what is already followed in practice or perhaps is a rule of law. But if it is new legislation, I just wish the minister would tell us what was the reason for it. I think it could be urged, on superficial grounds at any rate, that there are cases in which it would be desirable to convict a person in Canada for an offence committed outside of Canada.

Mr. Garson: This provision puts into statutory form the practice which has always

been followed; and in that sense, while the wording is new and the fact that there is a statutory provision is new, there is no change in the practice. If my hon. friend reads the provision he will see that it says:

Subject to this act or any other act of the parliament of Canada . . .

So if in any other given act it was desired to exercise our extraterritorial jurisdiction in relation to a certain offence, we could do so under that other act and it would not affect the operation of this section.

Mr. Fulton: Perhaps this will dispose of it. Would it be the case that a person who contracts a bigamous marriage outside of Canada could on his return be convicted of bigamy? Let us say that he has married a girl in Canada, has gone away to some other country and contracted another marriage there and has now come back to Canada. Could we convict him of bigamy under the Criminal Code?

Mr. Garson: In a case of that sort my hon. friend would have to look at the provisions relating to bigamy in this act or any other act of the parliament of Canada. If the provisions relating to bigamy cover an extraterritorial crime then he could be convicted, but not otherwise. The nub of the matter is found in these words:

Subject to this act or any other act of the parliament of Canada, no person shall be convicted—

Mr. Brooks: What would be the situation with reference to a crime committed on a Canadian ship on the high seas?

Mr. Garson: Speaking offhand, I would think the Criminal Code of Canada would apply to offences committed upon a ship of Canadian registry on the high seas, because a ship of Canadian registry is a part of the Canadian realm.

Mr. Winch: On that very point I should like to get a clearer explanation as to what is meant by an offence on a ship of Canadian registry and what is meant by "on the high seas." I draw to the attention of the minister the case of Mr. Harold E. Graham, who was on board a tug operating outside of the harbour of Vancouver. The tug was tied up at the dock in Bellingham, Washington. As it was to be there for several hours the crew did a little imbibing, and while the tug was actually tied up at the dock in Bellingham two of the seamen got into a brawl. One man was knocked out. He was checked by the officers of the tug and there was no question that he had had a beating.

Several hours later the tug sailed from the port of Bellingham. One hour later the injured seaman was checked and the chief engineer reported to the captain of the tug that he thought the man was dead. The tug proceeded on its way until it reached Vancouver. A coroner's inquest was held at Vancouver, and according to the report of the doctor who did the autopsy the man had actually died before the tug had left the port of Bellingham. The man who committed the assault was charged in Canada and is now serving a term in the British Columbia penitentiary.

I should like to have that situation clarified. The man was on a tug which was tied up in a United States port. The brawl which resulted in the death of the man occurred in the United States. How does what the minister has said with respect to the interpretation of subsection 2 of section 5 apply to the situation I have described? The brawl and the homicide occurred in the United States but the man was tried, convicted and jailed in Canada.

Mr. Garson: It would be very difficult if not impossible for one to express an opinion—and that is really what my hon. friend is asking me to do—upon the facts of the case he has just recited without checking the facts very carefully as they were established in the legal proceedings which subsequently took place in Canada. If my hon. friend is right in the latter part of his statement, when I understood him to say that the man was killed not on the Canadian tug but on United States soil—

Mr. Winch: On the tug but at the dock.

Mr. Garson: Right; but if he is on the tug it is one thing and if he is on United States soil it is another. In any event, with respect, I do not think this matter has any particular relevance to section 5, subsection 2, because all it says is that subject to the provisions of this act or any other act of parliament, like the Canada Shipping Act, which may create extraterritorial jurisdiction over offences committed outside of Canada, no person shall be convicted in Canada for an offence committed outside of Canada. But I am sure my hon. friend will find, if he examines the proceedings in Vancouver with care, that they were taken under some act of this parliament.

For another reason, my hon. friend will see that the case he cites has no relevancy to this particular section. As he can see from the opposite page, this is a new provision, and as the bill has not yet been passed this new clause has not gone into effect and it is not yet law.

Mr. Winch: I know that, but I had reference to the minister's statement that what was being put into the statute now was what had been the custom in the past.

Mr. Garson: What had been the custom, subject to the various acts. In other words in the past it has not been the custom to charge people with such offences committed outside of Canada; and the reason an offence was charged in the case to which my hon. friend has referred is presumably because it was covered by some existing statute law which he has not cited to us.

Section agreed to.

Section 6 agreed to.

On section 7—*Application of criminal law of England.*

Mr. Diefenbaker: Section 7, subsection 1, reads as follows:

> The criminal law of England that was in force in a province immediately before the coming into force of this act continues in force in the province except as altered, varied, modified—

And so on. What has the minister to say with reference to this section in so far as the law of mischief in the matter of peeping Toms is concerned? Will the law against peeping Toms be in effect? The minister will remember that there was a case which came before the Supreme Court of Canada. In view of the decision in that case what change, if any, will be effected as a result of the enactment of this new section?

Mr. Garson: The law with regard to peeping Toms is covered in new section 162 of the present bill. When that section goes into effect, this offence will be defined by it and not by the law of England.

Section 7 reads:

> 7. (1) The criminal law of England that was in force in a province immediately before the coming into force of this act continues in force in the province except as altered, varied, modified or affected by this act or any other act of the parliament of Canada.
>
> (2) Every rule and principle of the common law that renders any circumstance a justification or excuse for an act or a defence to a charge continues in force and applies in respect of proceedings for an offence under this act or any other act of the parliament of Canada, except in so far as they are altered by or are inconsistent with this act or any other act of the parliament of Canada.

In other words, as I indicated on the second reading of the bill, so far as procedure law is concerned, and to use the language of the bill, any circumstances which constitute "a justification or excuse", the English law in relation to these is retained, but not as to the definition of criminal offences. By means of this present consolidation we are providing that after it has been passed there will be no offences for which a Canadian can be tried except such as have been defined by this legislation, or other acts of this parliament.

The Chairman: It being five o'clock, the house will proceed with the consideration of public bills.

BRITISH NORTH AMERICA ACT

AMENDMENT TO INCREASE QUORUM OF HOUSE OF COMMONS

The house resumed, from Tuesday, January 12, consideration of the motion of Mr. Knowles for the second reading of Bill No. 81, to amend the British North America Acts 1867 to 1952, with respect to the quorum of the House of Commons.

Mr. Knowles: Mr. Speaker—

Hon. W. E. Harris (Minister of Citizenship and Immigration): I take it, Mr. Speaker, that the hon. member is about to speak, and that would close the debate on second reading of this bill. I was hoping that earlier in the course of his remarks on the bill he might have indicated a desire to deal with it in the same manner as we did on the former occasion, namely that we should have the matter considered by the committee on rules. This committee, having had two or three years of rather extended consideration of some factors in connection with our procedure, I should think would be prepared to deal seriously and at some length with the matters that come before it. For that reason I would hope we would not make a decision on this particular point in the house now, but rather deal with it as part of the larger picture and as part of the effort to obtain a more expeditious procedure in the house.

I repeat my request, therefore, that the hon. member give consideration to following that course. If he chooses not to do so I feel that I should dispose of it in the same manner as I did on the former occasion. I leave it to him to decide at the moment which he would prefer to do.

Mr. Knowles: On a point of privilege, if I may be considered as making an interjection in the remarks of the minister, I would point out that it is not within my power to move that the subject matter of the bill be referred to the committee on procedure; that is something the minister could do. The minister said he was hoping I would express the same wish concerning the course to be followed in connection with this bill that I expressed last year. If my memory serves me correctly it was the minister who expressed the view that the subject matter

should be referred to the committee on procedure, and I went along with the idea. I can only say, Mr. Speaker, that if the same proposition is made again by the minister I would give it the consideration it merits.

Mr. Harris: On the point of order, perhaps without actually so moving and in order not to dispose of the bill—I would prefer not to do that for the hon. member's sake—would he consider merely allowing the motion to stand on the understanding that the matter would be discussed with the rules committee reasonably soon?

Mr. Knowles: If you would overlook the impropriety of this back and forth discussion, Mr. Speaker, I may say that I welcome the suggestion the minister is now making. I feel it is a better one than was made last year. So far as I am concerned, if he wishes to move the adjournment of the debate or if he wishes to let any other member speak and then move the adjournment of the debate, I would be prepared to follow that course and let the motion for second reading of the bill stand on the order paper pending a discussion of the question of the quorum in the committee on rules, in view of the undertaking the minister has given that we will study the question in that committee.

Mr. Deputy Speaker: I understand that the bill cannot stand. The debate will either have to proceed or be adjourned.

Mr. Harris: I move the adjournment of the debate, Mr. Speaker.

On motion of Mr. Harris the debate was adjourned.

Mr. Deputy Speaker: The business under private and public bills having been disposed of, the house will resume the business which was under consideration at five o'clock.

CRIMINAL CODE

REVISION AND AMENDMENT OF EXISTING STATUTE

The house resumed consideration in committee of Bill No. 7, respecting the criminal law—Mr. Garson—Mr. Robinson (Simcoe East) in the chair.

On section 7—*Application of criminal law of England.*

The Chairman: We were considering section 7. Had the explanation been completed on section 7?

Section agreed to.

On section 8—*Criminal offences to be under law of Canada.*

Mr. Diefenbaker: I should like an explanation from the minister concerning the reason for this new section.

Mr. Garson: This is a continuation of the idea that was considered in part by the preceding section, concerning which the hon. member asked some questions. This is the section which states that from now on all of the offences for which a Canadian can be tried must be those which are covered by this bill. From now on it will not be possible, in Canada, to charge a Canadian with a common law offence. If the crime for which he is to be charged cannot be found within the limits of the Canadian Criminal Code or another act of parliament, then he cannot be charged at all.

It might be thought, perhaps, that in adopting the new rule we were leaving some gap that was formerly covered by common law offences. Before we put this section into the bill we went carefully over the records and checked with the provincial law enforcement officers to get a full list of all the common law crimes that had been charged in Canada since the code was first passed in 1892. All of those common law crimes which have been charged in the interval have now been incorporated in the present Criminal Code bill. The only possible gap there might now be would be if there were some form of common law crime which we have not had occasion to charge in past Canadian history. We think if a case of that kind were to come up—and it seems most unlikely—it might be better at that time to bring in an amendment to the Criminal Code making provision for such an offence. For we believe if we are to have a Criminal Code in Canada it is desirable that we should be in a position to say to all Canadians, "Here is an exhaustive list of Canadian crimes. Unless the offence can be found in this code it cannot be charged."

Mr. Diefenbaker: That is a very commendable purpose, but I find it difficult to understand section 7 (1) when read in conjunction with section 8. Section 7 (1) is in these words:

> The criminal law of England that was in force in a province immediately before the coming into force of this act continues in force in the province except as altered, varied, modified or affected by this act or any other act of the parliament of Canada.

And section 8 is in these words:

> Notwithstanding anything in this act or any other act no person shall be convicted
>
> (a) of an offence at common law,
>
> (b) of an offence under an act of the parliament of England, or of Great Britain, or of the United Kingdom of Great Britain and Ireland, or
>
> (c) of an offence under an act or ordinance in force in any province—

And so on. How does the minister make those two sections coincide with each other?

Mr. Garson: I thought I had already done so.

Mr. Diefenbaker: No, I did not follow the minister in that.

Mr. Garson: Then I shall try to repeat, perhaps more briefly, what I said before. Section 7 says that the criminal law of England is in force with regard to all matters of procedure and evidence, and those circumstances which constitute a justification or excuse. But so far as the definition of crimes is concerned, section 8 says that from and after the passage of this bill the law of England shall not be in effect in Canada as regards the definition of crimes. It is in effect for procedural matters, but not for the definition of crimes.

Mr. Diefenbaker: I can understand the purpose, but I am wondering whether the wording covers that purpose. Section 7 (1) does not say anything about procedure. It simply says that the criminal law of England that was in force in a province immediately before the coming into force of this act continues in force in the province except as altered, and so on.

Mr. Garson: Except as altered, modified or affected by this act or any other act of the parliament of Canada.

Mr. Diefenbaker: Surely that is a most roundabout wording to achieve a narrow result. I can understand the purpose of section 7 (1), and that section 7 (2) is a matter of procedure. But when we read section 7 (1) in conjunction with section 8, then it seems to go a long way around to express a very small thing, and with the use of a lot of unnecessary words. Who drafted this new section? Was it the law officers, or was it drafted by the commission?

Mr. Garson: The whole bill, including the section to which my hon. friend has referred, was first considered by the royal commission, whose names I have already placed on the record.

Mr. Diefenbaker: I know that.

Mr. Garson: These were men of great eminence in the field, as I am sure my hon. friend would be the first to admit. Then after they had drafted the bill it was gone over by the parliamentary draftsmen in the Department of Justice. Then the bill, including these sections, went to the other place, and was considered there at great length by the banking and commerce committee of the other place, and particularly by a subcommittee of that committee consisting of Senators Salter Hayden, J. W. deB. Farris and A. W. Roebuck.

Mr. Diefenbaker: That is immaterial; they are all good men.

Mr. Fulton: It is conceded that they were good counsel. The minister need not go into that.

Mr. Garson: After it was considered by this subcommittee composed of eminent counsel, as my hon. friends agree, it then came before the House of Commons special committee and was considered at great length by it. We can only take the position at the moment that the wording which my hon. friend criticizes has received the approval of these bodies to which I have referred. It would not be in the form in which it appears here if it had not.

Section agreed to.

Sections 9 to 15 inclusive agreed to.

On section 16—*Insanity.*

Mr. Diefenbaker: This is one of the sections which deserve consideration, and cannot be carried quickly. It covers the whole defence of insanity, and is one of the most important sections in the Criminal Code.

Mr. Fulton: Before the minister deals with any particular point of view, would he tell us when it is anticipated that the royal commission to which this subject will be referred will be set up. Has he in mind any of the persons who will be appointed to it?

Mr. Garson: Yes. As the hon. member for Prince Albert has said, this is an important section in that it sets out the defence of insanity. As the hon. member for Kamloops has indicated, it is a matter which we had proposed to remit to a royal commission for consideration. It is our wish to set up that commission at the earliest possible moment.

I may say that already I have been discussing the matter with a man whose eminence and abilities in our opinion entitle him to consideration as a possible chairman of the royal commission, and I have discussed with him the possibility of finding time from his other preoccupations to act for us in this capacity. I have received a tentatively favourable answer, but he has not been able to assure me formally that he can act until he takes up with his colleagues the matter of whether he can get the necessary time off. However, as soon as he, or another person of equal ability, agrees, we can proceed to collect the

other personnel. We do wish to set up the commission as soon as we possibly can.

Mr. Brooks: Is it possible that the commission might recommend amendments to this section? Perhaps it would be better if it were allowed to stand.

Mr. Garson: It is possible; but on second reading of the bill I indicated that when the present bill comes into effect it will abolish the existing code, and we cannot leave a gap in the law on this subject. Therefore I suggested to hon. members that these subject matters which are being remitted, in the one case to the royal commission and in three others to a special parliamentary joint committee, might be passed in their present form in order that we should have that part of the law covered; and then when we get the reports back from the royal commission and the parliamentary committee we would proceed to bring in amendments to carry into effect their recommendations.

Mr. Diefenbaker: In connection with the royal commission, can the minister take the committee into his confidence a little and say how many members are going to be on this commission, and whether it is intended to have on the commission at least as many who have been outstanding counsel for the defence as those who have been crown counsel; for this is the type of section that deserves the consideration of a commission on which neither crown nor defence shall be overweighted.

This is a section that more and more is affording a defence to those charged particularly with capital offences. The reason for that is simply the fact, as someone said the other day—and I am not referring to another debate, Mr. Chairman—that if juries can find reasonable grounds for believing that insanity exists to such an extent as to have dethroned the reason of the person charged with the offence, they bring in verdicts of manslaughter even when manslaughter ought not to be the verdict, but in point of fact the verdict should be not guilty by reason of insanity. Certainly the law of insanity as applied today does not meet with the advances that have been made in recent years in the matter of mental diseases.

This is a section that will deserve the serious attention not only of the committee of parliament and of the royal commission that is to be set up, but the utmost consideration on the part of penologists and those who are specialists in mental diseases, so as to bring the criminal law up to date. As the minister knows, this is one of the major means of exculpation that exist today in the criminal law.

Mr. Garson: I am in complete agreement with my hon. friend as to the importance of this subject. We are hopeful that we can get men—and we think on this commission we should have at least one lady—of real eminence in their fields. We think, although this is not a final decision by any means, that the number of the royal commission might properly be seven. We have no idea of making it up entirely of lawyers—either for the prosecution or for the defence—because we think that there should be at least one psychiatrist upon it, in view of the fact that the subject of psychiatry is involved.

In our search for proper candidates for such a commission we not only have to find men and women who are properly equipped, but in these busy days it is sometimes very difficult to find those who are properly qualified and who also have the necessary time which they can devote to work of this sort. Sometimes a first-rate potential appointee simply cannot get the necessary leisure from his other duties in order to discharge a task of this sort. We want to have legal representation on it; we want to have the fair sex represented; we want to have psychiatrists represented. But we do not think it would be appropriate to have the commission made up of psychiatrists and lawyers. And seven is the number we have in mind.

Mr. Diefenbaker: I have one other question. Without identifying the person to whom the chairmanship has been tentatively offered, would it be an improper question to ask whether or not that person is a member of the judiciary?

Mr. Garson: I mean no offence to my hon. friend, but it would be an improper question, because it might indicate some time later on that the candidate whom we finally selected was not the first choice.

Mr. Fulton: Would it be appropriate to suggest that this section stand? I do not want to press that, but I want to make certain other observations with regard to insanity, and I should like to ask some questions as to the scope of the intended reference to the royal commission and so on. I do not wish to delay the committee. While I do not want to go into technicalities and the law of insanity, because it is going to be referred to the royal commission, there are those aspects as to the scope of the

reference, whether insanity with its relationship to the defence of provocation is also going to be referred, and so on. So it might be better to have this section stand.

Mr. Garson: I have no objection. This is in accord with the spirit in which we are approaching the whole thing. I am sure my hon. friend is not urging that we should stand it over permanently.

Mr. Fulton: No, just for later discussion.

The Chairman: Section 16 stands.

On section 17—*Compulsion by threats.*

Mr. Nesbitt: There are a number of offences listed in this section which are separate. In spite of that, compulsion is no excuse for an offence. I should like to ask this question. Would there be some merit in separating the words "immediate death or grievous bodily harm"? A person may believe that the person compelling him may carry out the crime of murder, let us say, at the point of a gun, and that may well be an excuse for committing this offence; whereas the threat of grievous bodily harm could very well not be accepted. Can the minister tell us whether any consideration has been given to that? This puts the person in a position where he might commit the crime of arson, of robbery or even of murder merely in order to save his own life? Has that been considered?

Mr. Garson: Perhaps the question of my hon. friend might be put in this form. This new section 17, apart from one or two small consequential changes, is in substance identical with old section 20, which apparently through the years has stood the test of time. We thought if it had been challenged, or any difficulty had been found with it, that it would likely have had at least decided cases that would have resulted in our changing the wording somewhat. But we followed what I think is the right practice in that the sections of the old code that have been found to be workable have been retained, and it is only those in connection with which difficulty has been experienced that we have changed. We have not changed for the sake of changing.

Section agreed to.

On section 18—*Compulsion of wife.*

Mr. Winch: Should the woman not have some protection?

Mr. Garson: In section 18? You mean both ways; should the man not have the same protection?

Mr. Winch: Yes.

[Mr. Fulton.]

Mr. Garson: With ladies in the committee I feel rather shy about expressing this thought, that I think this is a reflection of the old theory that a man can compel his wife but not vice versa.

Section agreed to.

Sections 19 to 31 inclusive agreed to.

On section 32—*Use of force to suppress riot.*

Mr. Knowles: Perhaps the minister will agree to let sections 32 and 33 stand for more complete discussion.

Mr. Garson: Yes.

The Chairman: Sections 32 and 33 stand.

Sections 34 to 45 inclusive agreed to.

On section 46—*Treason.*

Mr. Diefenbaker: I submit this should stand.

Mr. Garson: I was about to suggest that sections 46, 47 and 48, being a group related one to the other, should stand if that is agreeable.

The Chairman: Agreed?

Some hon. Members: Agreed.

Section 49 agreed to.

On section 50—*Assisting alien enemy to leave Canada.*

Mr. Knowles: I think this should stand.

Mr. Garson: Yes.

Section 51 agreed to.

On section 52—*Sabotage.*

Mr. Knowles: I think this also should stand.

Mr. Garson: Yes.

Sections 53 to 56 inclusive agreed to.

On section 57—*Offences in relation to members of R.C.M. Police.*

Mr. Knowles: Section 57 stand.

Sections 58 and 59 agreed to.

Mr. Knowles: Sections 60, 61 and 62 stand.

Section 63 agreed to.

Mr. Knowles: Sections 64, 65, 66, 67 and 68 I think should stand and be considered in relation to sections 32 and 33 which were set aside earlier.

The Chairman: Sections 64 to 68 inclusive stand.

Mr. Knowles: I am sorry; I should have included section 69.

The Chairman: Section 69 stand.

Sections 70 to 76 inclusive agreed to.

On section 77—*Duty of care re explosive.*

Mr. Diefenbaker: On section 77, Mr. Chairman, I would like to ask the minister why the new section was not left to common law rule. Before the establishment of this section was this not the rule of law under the Criminal Code, and why was it necessary to make a new section?

Mr. Garson: When one started out to make the Canadian Criminal Code sufficiently exhaustive to cover all Canadian crimes it was necessary in connection with those crimes relating to dangerous substances to insert section 77, as having a necessary bearing upon the definition of crimes relating to such substances.

Section agreed to.

Sections 78 to 80 inclusive agreed to.

On section 81—*Engaging in prize fight.*

Mr. Diefenbaker: Mr. Chairman, section 81 reads as follows:

(1) Every one who

(a) engages as a principal in a prize fight,

(b) advises, encourages or promotes a prize fight, or

(c) is present at a prize fight as an aid, second, surgeon, umpire, backer, or reporter, is guilty of an offence . . .

"Prize fight" is defined as:

. . . an encounter or fight with fists or hands between two persons who have met for that purpose by previous arrangement . . .

What is the difference between a prize fight and a boxing contest? I see no reason why this section should be continued at all. At the time it was actually made law it was a serious offence to hold prize fights and in 1913 or 1914, I believe it was, I remember the occasion in Calgary when Arthur Pelky was indicted for manslaughter arising out of a prize fight held with the then champion of the world, Luther McCarthy. As far as the jury were concerned they said the law was there, but they brought in an acquittal. I would ask the minister how many times this section has been used since 1914, and why it is necessary to incorporate a section in the law which to all intents and purposes has no application today.

Mr. Garson: Mr. Chairman, I think if my hon. friend had just kept on reading the section—

Mr. Diefenbaker: I know the section.

Mr. Garson: —beyond the point where he left off he would have found the answer to his question. Perhaps I had better read the whole of paragraph 2 of section 81, which reads as follows:

In this section, "prize fight"—

—the participation in which is the offence specified in the first subsection of this section—

—means an encounter or fight with fists or hands between two persons who have met for that purpose by previous arrangement made by or for them, but a boxing contest between amateur sportsmen,—

Mr. Diefenbaker: Yes, between amateur sportsmen.

Mr. Garson: Yes, but just let me finish.

—but a boxing contest between amateur sportsmen, where the contestants wear boxing gloves of not less than five ounces each in weight—

Now here it is here.

—or any boxing contest held with the permission or under the authority of an athletic board or commission or similar body established by or under the authority of the legislature of a province for the control of sport within the province, shall be deemed not to be a prize fight.

In other words, in the course of consolidating the code we have dropped the present sections 104, 107, 108, 627, and 628 because they are no longer of any use, and because most boxing contests are now staged under the authority of a provincial boxing commission. The only residual offence to which this section relates is a professional prize fight staged outside the authority and control of a provincial commission. I am sure my hon. friend would agree it is desirable, if we are going to control boxing, that we be able to prohibit all unauthorized contests.

Mr. Diefenbaker: I would like to ask the minister how many provinces have no athletic boards today. Are there not only three provinces with this type of board or commission?

Mr. Garson: Mr. Chairman, I cannot answer that question, but if my hon. friend suggests three, my view would be that there were more. There must be commissions of that sort in British Columbia, Alberta, I think Saskatchewan, certainly in Manitoba and Ontario, and they have prize fights in Quebec.

Mr. Knowles: Prize fights?

Mr. Garson: I beg your pardon; boxing contests within the meaning of the act.

Mr. Knowles: You will be in a fight if you say that.

Mr. MacInnis: I do not think the minister has made that section very clear, to me at any rate. It would appear a prize fight means an encounter where boxing gloves are not used,

and in the latter part of the section it states that in a boxing contest gloves must be used. I do not know very much about prize fights, but I understand that in all prize fights today boxing gloves are used. I do not see the difference, since all boxing contests today are fought for a prize. There is a cash prize for one person, or it is divided between the two. Under this section could a prize fight with gloves between two professional boxers be allowed if authorized by these boxing commissions?

Mr. Garson: Yes, I think so. It would mean that—

> . . . any boxing contest held with the permission or under the authority of an athletic board or commission or similar body established by or under the authority of the legislature of a province for the control of sport within the province, shall be deemed not to be a prize fight.

In other words, if amateur sportsmen desire to get together at the Y.M.C.A., at an athletic club, a boys' camp or something of that sort, not for money but as amateurs and have a boxing match, and wear gloves of at least five ounces in weight, they are not covered by the section. Nor does the section cover contests which are held under the auspices of a provincial commission set up for that purpose. However, other contests are covered.

With his usual acumen my hon. friend has put his finger on the point. If money is involved, if they are not amateurs, and if they do not have the authority of the provincial commission, then they have committed an offence under the section. The purpose of the section, having regard to the point which was raised by my hon. friend the member for Prince Albert, is to cover all efforts to stage a professional prize fight which has not been authorized by a provincial boxing commission.

Section agreed to.

Sections 82 and 83 agreed to.

On section 84—*Carrying concealed weapon.*

Mr. Fulton: I have no specific amendment to suggest or anything of that nature, but I want to ask the minister whether he is able to say what consideration was given, as a matter of general policy, to making it more difficult to obtain pistols or revolvers. While I observe that section 84 continues section 117 and therefore is not any new law, it seems to me to make it easier or to lay down a certain immunity for a person who carries a pistol or revolver, whatever may be the intent with which he is carrying it. I should have thought that it might be somewhat more difficult for a person who has a nefarious intention to carry out that intention with a shotgun than with a pistol or a revolver; yet he is prohibited from carrying a shotgun, even a sawed-off shotgun. In other words if he can conceal his shotgun he might carry out his intention with immunity.

Mr. Garson: No. If my hon. friend will look at the next clause, he will see that that matter is covered.

Mr. Fulton: No.

Mr. Garson: It is covered in section 85.

Mr. Fulton: Section 85 simply makes it an offence to carry a sawed-off shotgun with a barrel less than 20 inches in length.

Mr. Garson: It is only a sawed-off shotgun that could be tucked inside one's coat.

Mr. Fulton: That is the point exactly. The other type of weapon cannot be concealed. A pistol or a revolver is easily concealed. Therefore I am wondering why section 84 was not changed. A pistol or revolver can be concealed very easily. It seems to me that the person who carries a pistol or a revolver should be under some onus to explain for what purpose he is carrying it. He is not guilty of an offence under section 84. Perhaps, to make the matter clearer, I should put it in this way. By section 84 he is absolved from committing an offence when he carries a pistol or a revolver.

Mr. Garson: No. Section 84 provides as follows:

> Every one who carries concealed an offensive weapon other than a pistol or revolver is guilty of an offence punishable on summary conviction.

Mr. Fulton: Yes.

Mr. Garson: But in another part of this little code on firearms my hon. friend will see that, in order to carry a pistol or a revolver, he must get a permit from the police to do so.

Mr. Fulton: I know that. But in order to carry a shotgun you have to have a licence.

Mr. Garson: No; not a shotgun.

Mr. Fulton: Not under this section, but under most provincial statutes you do.

Mr. Garson: Oh.

Mr. Fulton: The point I am raising is the general point as to whether it would not be desirable to make it more difficult to obtain pistols and revolvers. I know there are some authorized revolver clubs. I am not suggesting that their activities should be curtailed in any way. I am really asking what consideration was given to making it more difficult to obtain pistols and revolvers in Canada.

Mr. Garson: As a member of the last parliament my hon. friend will recall that in the year 1951, if I remember aright, I brought into the house all these sections dealing with firearms that we now see in this new Bill 7 pretty much unchanged. At that time this code of law dealing with the possession and the registration of firearms had been passed upon by the mounted police in consultation with the various police forces in Canada. I think it was in view of this recent consideration of the whole subject matter that the royal commission and all the subsequent bodies who have considered this Bill No. 7 thought the law in this respect was quite up to date and hence left it pretty much in the form in which it was brought into the house in 1951.

Mr. Winch: I should like to ask a question with regard to section 84. Having regard to the reading of the section, what is the position of a man out in the woods who has a hunting knife underneath his mackinaw? Is that against the law here? I know that is the regular thing out in the woods. It might also be interesting to know what is the position of the policeman, because he has a baton underneath his coat and that is described as an offensive weapon, I know.

Mr. Garson: If my hon. friend will look at page 4 in the interpretation section at the beginning of the bill, he will see that "offensive weapon" is defined. It will be found at the bottom of page 4, paragraph 29. The definition reads as follows:

> "offensive weapon" or "weapon" means
> (a) anything that is designed to be used as a weapon and
> (b) anything that a person uses or intends to use as a weapon, whether or not it is designed to be used as a weapon, and, without restricting the generality of the foregoing, includes a firearm, air-gun or air-pistol and ammunition for a firearm, air-gun or air-pistol;

It may be the case that, under that definition, the possession of the knife would be regarded as an offensive weapon, although I wonder. Would one consider that the knife which the person my hon. friend has in mind, out in a camp and which he has in his pack for perfectly peaceful purposes, was designed to be used as a weapon? Would he say that knife was designed to be used as a weapon? I suppose that argument could be made, but I cannot conceive of any prosecution ever being launched against such an individual unless it was under some set of circumstances in which it appeared that he intended to use it as such. I do not think there is much likelihood, for example, that if a chap out hunting has a hunting knife along with him to skin a moose he has killed, the mounted police are going to come along, pick him up and charge him with carrying an offensive weapon. It depends on the circumstances of the individual case.

Section agreed to.

Sections 85 and 86 agreed to.

On section 87—*While attending public meeting.*

Mr. Diefenbaker: I am interested in knowing the reason for the need for protection of those who are at a public meeting. Section 87 reads as follows:

> Notwithstanding anything in this act, every one who has an offensive weapon in his possession while he is attending or is on his way to attend a public meeting is guilty of an offence punishable on summary conviction.

This is a new section. I was wondering whether the law previously lacked any provision designed to protect those who are at public meetings, or the reason for this new section.

Mr. Garson: Well—

Mr. Knowles: Does that include rotten tomatoes?

Mr. Garson: My answer to that would be an unhesitating no. A provision to this effect was in the law prior to 1951. It was then removed, and it has been thought desirable to restore it. As to its purpose, I think it is obvious from a perusal of the section. It is to guard against people carrying offensive weapons to public meetings.

Mr. Diefenbaker: Possibly the minister will explain what was the justification for removal in 1951 and the need for restoration in 1954. Has anything happened in the interval? Have there been any incidents at public meetings for which there was no applicable punishment for the carrying of such instruments?

Mr. Garson: The note I have on this clause is that it was felt that persons should be prohibited from attending public meetings while armed, whether or not they had permits to carry revolvers. A man having a permit to carry a revolver or pistol could, in the absence of a clause like this, rely upon his permit to carry it to a public meeting. Under section 619 justices had power to seize offensive weapons from persons attending public meetings. Sections 620 and 621 provided for the restoration of such weapons after seizure. It was felt that these weapons should not be restored but should be forfeited.

As the result of the inclusion of this section, however, sections 619, 620 and 621 have been dropped. In other words, instead of having the provision that was in the law previously, namely that a justice of the peace

could go and take these weapons away from a man, it was thought that there was more common sense in saying that he could not take them there in the first place, and that if he did it would be an offence.

Mr. Diefenbaker: Is it to protect political speakers?

Mr. Garson: The hon. member for Prince Albert raises an important point. He asks whether it is designed to protect political speakers. If that were so I would say it would be a very laudable objective.

Mr. Diefenbaker: Hear, hear.

Mr. Pouliot: I regret very much that this clause is new. It should have been in force at the time my father was in politics, when Sir Charles Tupper was prime minister of Canada and the Intercolonial Railway kept men at the Riviere du Loup shops to use crowbars and other iron bars to disturb Liberal meetings. That was the way the Tories acted at that time, and this provision should have been in force then.

Mr. Knowles: Since this question has been raised, if one were to go to a Liberal meeting armed with a copy of the Liberal platform for 1919 for the purpose of throwing it at the speaker would that be considered an offensive weapon?

Mr. Garson: If my hon. friend will examine the definition of "offensive weapon" on page 4 of the bill he will see that it does not include what he thinks is an offensive weapon.

Mr. Knowles: In other words it was not intended to use the 1919 Liberal platform.

Mr. Campbell: I should like to ask the minister how strict the regulations are with respect to the issuing of permits. It seems to me that some people are able to get hold of revolvers too easily. What are the regulations? Is it easy for me or anybody else to go and get a revolver?

Mr. Garson: If my hon. friend, having the bill before him, will look at page 31 he will see in sections 93, 94 and 95, which take up a page and a half, the procedure that has to be followed to secure a permit. I think by the time he has read those sections he will come to the conclusion that it is not an easy matter.

Section agreed to.

On section 88—*Delivering firearms to minors.*

Mr. Winch: I am not quite certain that this is the right place, but I think it is the only place I can raise a matter upon which I should like the minister to comment. I raise it under section 88 because in answer to a previous question he was in doubt but he thought perhaps a knife would come under the definition of "offensive weapon" on page 4.

Section 88 deals with the selling, giving, lending or transferring of certain types of offensive weapons to children. Has any consideration been given under this section or otherwise to dealing on the same basis with the selling, giving, transferring and lending to children of these vicious things called spring knives or switch knives?

In recent years a serious problem has developed across Canada—I know it has in the west—in that some young punks, whether because of the type of literature and comic books they read or the type of training they receive, think they are big shots and gangsters and carry in their pockets not only on the streets but to school functions these very vicious spring knives. I know there have been incidents in Vancouver where at a school dance, school reception or during the recess period some young boy did not like the attitude of somebody else and whipped out one of these definitely dangerous and offensive weapons.

From my own personal knowledge I know that young boys have been severely slashed and required a great many stitches and other medical attention to close their wounds. I understand that at the moment there is no provision whereby the authorities can deal with such situations and stop these young people from having these dangerous weapons in their possession. I should like to know whether or not the minister or his department have had this matter brought to their attention and if they feel, although it may be a rather difficult problem, that there is any way under this or any other section by which this situation can be dealt with.

Mr. Garson: Mr. Chairman—

Mr. Fulton: Six o'clock.

Mr. Garson: Perhaps I might attempt to answer this question. I would refer my hon. friend to the definition of "offensive weapon" which means "anything that is designed to be used as a weapon". I think he would agree that a spring knife is not for manicuring. Without any question it is an offensive weapon. If he will look at page 28 he will see that section 82 reads this way:

> Every one who carries or has in his custody or possession an offensive weapon for a purpose dangerous to the public peace or for the purpose of committing an offence is guilty of an indictable offence and is liable to imprisonment for five years.

He will also see that section 84 reads this way:

> Every one who carries concealed an offensive weapon other than a pistol or revolver is guilty of an offence punishable on summary conviction.

Mr. Winch: What about section 88? It is not mentioned as an offensive weapon in section 88. That is my point. It just mentions firearms.

Mr. Garson: That is quite right, but it does cover the case to which I understood my hon. friend was referring, where these young chaps come along, flash these knives at a dance or a gathering of that sort and carve up their associates with them.

They would clearly come under section 84 and possibly section 82, because the weapons which they had would be offensive weapons. Under section 84 they would be concealed weapons, and if used for a purpose dangerous to the public peace they would come under section 82.

Mr. Winch: It would not come under section 88, on the basis of sale?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The Chairman: When the committee rose at six o'clock section 87 had been carried. We will now proceed with the consideration of section 88.

On section 88—*Delivering firearms to minors.*

Mr. Winch: Mr. Chairman, continuing the discussion on section 88 following the intermission, I have given a great deal of thought to the statement of the minister as to how other sections of the bill cover varying aspects of the problem where a person may have in his possession a knife or, in particular, a spring knife. I am certain the minister is correct in his interpretation of the other sections, but I should like again to draw to the minister's attention the fact that the point I have in mind is not covered by section 88, because it will be seen that it is in these words:

> Every one who sells, barters, gives, lends, transfers or delivers a firearm, air gun or air pistol or ammunition therefor to a person under—

—a certain age. This section does not use the expression "offensive weapon" but merely has reference to a certain type of firearm, air gun or air pistol. I am strongly of the opinion, in view of what many of us have read and know in connection with the use of the type of knife I have described, that it is an offensive weapon. I feel if it is wrong to have other types of offensive weapons sold to those under a certain age, the minister might consider some slight alteration in the wording of section 88 so as to introduce into the Criminal Code an additional deterrent to the use and sale of these spring knives.

Has the minister given any more thought to this matter, and does he not consider this would be the logical place to introduce words to take care of the situation I have described? While it might not be a major deterrent, I believe he recognizes the fact that it is a help.

Mr. Garson: Upon reflection, and after listening to what the hon. member has just said, I am of the view there is considerable merit in the point he makes. I am wondering however whether it would necessarily be limited in its application to persons under the age of 14 years. I am wondering if the hon. member would leave the matter with me, with a view to including the substance of what he has in mind either in section 88 or in some other section that might be even more appropriate.

The Chairman: Shall section 88 stand?

Mr. Nesbitt: I wonder if I might ask a question—

The Chairman: If the section is to stand, should not the question be asked when we are dealing with it later.

Mr. Garson: If the hon. member wishes to make a suggestion I would rather have it now so we could consider them at the same time.

Mr. Nesbitt: This section states clearly that everyone who sells, barters, gives, lends, and so on, to a person under the age of 14 years, who does not have a valid permit, is guilty of an offence. Has the minister considered whether the question of motive or intent of the person selling could be used as a defence? In other words, if we refer to section 150, and particularly to subsection 5 which deals with comics, we see that it says:

> For the purposes of this section the motives of an accused are irrelevant.

Then subsection 6 of section 150 states that the fact that an accused was not aware of the objectionable material in the crime comics is not a defence.

Would the minister consider in this case that if an accused sold an article to a minor, the question as to whether or not he thought

the purchaser was under age should also be considered, or allowed as a defence? The burden of proof in that instance would not be on the accused, to show that the purchaser was not under 14 years.

Mr. Garson: I do not think there is any analogy between sections 88 and 150. Section 150 deals with crime comics and obscene literature, and there was a special reason connected with the contents of that section which made it necessary to include the subsection to which the hon. member has referred. But so far as section 88 is concerned I do not think there is any considerable element of *mens rea.* It says that everyone who sells, barters, gives or lends to a person under 14 years is guilty of an offence, and I think the offence would be complete if it were simply proved that this was done. Proof of age would be established in the same way it is always done in connection with sections of this nature.

Mr. Nesbitt: Once the crown had established the fact that an offence had been committed, and that it was in respect of a person under 14 years, would not the normal defence be that the accused did not know, or that he had no way of knowing? Should not the burden be placed on the person who is selling, just as it is under the liquor control act in Ontario, where a waiter selling to a person under 21 years of age has first to satisfy himself as to that person's age?

Mr. Garson: I must say I am not temperamentally enthusiastic, as a general rule, about shifting the burdens of proof to accused persons. I think in most cases magistrates would not have too much difficulty in reaching opinions on the facts, as to whether accused persons have given satisfactory explanations for having sold to other persons under the age of 14 years.

Mr. Fulton: We must keep in mind that it is the Criminal Code which is up for review. If it is felt to be an offence to sell a dangerous weapon to a person under 14 years, I wonder if it would not be well, while the minister is considering this section, as he has indicated he will, for him also to consider that there should not be left open to an accused person the defence of saying, "I did not know the boy was under 14 years." After all, if a person is accused of the offence, he is accused of selling a dangerous weapon to a minor, to a child; and it seems to me that when people undertake to sell dangerous weapons, and when they are going to make a profit out of selling them, there should be cast upon them the absolute duty of ascertaining that the person to whom they sell is a fit person to receive such an article.

[Mr. Nesbitt.]

Therefore we should not leave it open to them to say, "I had no *mens rea*; there was no element of intent, because I did not know and could not be presumed to have known that the boy was under 14 years." The hon. member has suggested that the minister should consider casting that burden on the accused at the same time he is considering enlarging the list of weapons with respect to which this offence would lie.

Mr. Garson: The minister is always prepared to consider reasonable requests; and in this instance I have no objection to giving further consideration. If there is some way in which we can meet my hon. friend's point without introducing the rather bad principle of casting the onus upon an accused, we will be glad to do so.

Mr. Enfield: I was wondering whether hon. members had discussed the age under section 88. Then, there would be no offence if you sold it to a person who had a valid permit. The question of age could surely be covered in the permit concerned. In other words, how could anyone get a valid permit to own a firearm if he was under the age of 14 years? Therefore if they present a valid permit to the person vending the article in question surely he should go free in so far as the age question is concerned. That was the question in my mind with respect to the permit.

One does not like to see the burden of proof thrown on the accused, to show that he did not know the person was 14 years of age. There is a very good principle there that we should try to uphold, the principle that you have to prove the intent of the person who is accused of committing a crime. If you start to make inroads on that principle I do not think generally it is a very good thing.

Before we leave the question of offensive weapons—and this applies to section 88, because the question of defining offensive weapons arose here when the hon. member for Vancouver East was speaking—may I say that in the 1927 Criminal Code offensive weapons were defined in a rather long list. In 1951 the definition was cut down and made more general in its scope. I wondered what had happened in so far as case law was concerned regarding the definition of offensive weapons to bring about a more general definition. Has it been found to be more efficient and to give a better picture of conditions since 1951? Has the problem of the definition been considered in the new amendments to the code?

Mr. Garson: On two or three different occasions during the progress of the present

bill, at various stages, I have emphasized that one of the most important instructions given to the royal commission was that they should endeavour to bring the substance of the law into as small a compass as possible, the law set out in the 1,150 odd sections of the existing code. In the existing code there are, for example, a large number of sections and a great mass of language used to describe a number of different kinds of theft. In Bill No. 7 we have been able to cover, we think quite satisfactorily, the whole field of theft by the use of perhaps not more than 25 per cent of those words. In this bill's definition of offensive weapons we are trying to cover the field with the use of a lot fewer words. The result in each case is easier for the average man to read and convey a clearer impression to him. It also produces an act which now has about 750 sections whereas the present code has 1,150.

Section agreed to.

Section 89 agreed to.

On section 90—*Unregistered firearm in dwelling house.*

Mr. Fulton: Will the minister just tell the committee, please, what are the present requirements with regard to registration? I notice that section 93 reads:

> The commissioner shall cause a registry to be maintained in which shall be kept a record of every firearms registration certificate that is issued under the authority of this act.

Then other sections provide for registrars of firearms; but I wonder whether it is generally realized, if my understanding is correct, that a person is required to register every firearm which may be in his possession, even though it is not a pistol or a revolver. I know that during the war the requirement was insisted upon, and everybody knew that you had to register a shotgun, a sporting rifle and so on. While I know that ignorance of the law is no excuse, it does occur to me that this might be the appropriate time, if it is the case, to point out for the benefit of the committee and the public generally that even though there is not a war on, people who are in possession of shotguns and other sporting firearms are under obligation to register them.

Mr. Garson: Has my hon. friend looked at section 98 on page 33 of the bill? Section 98, (b) reads:

> "Firearm" means a pistol, revolver or a firearm that is capable of firing bullets in rapid succession during one pressure of the trigger.

Mr. Fulton: That is an automatic.

Mr. Garson: Yes.

Mr. Fulton: But those firearms which are covered by this section of the code dealing with the registration of firearms—

Mr. Garson: With respect, I do not think it covers shotguns or rifles and so on.

Mr. Fulton: That is fine, if it is given appropriate publicity.

Section agreed to.

Sections 91 to 95 inclusive agreed to.

On section 96—*Search and seizure.*

Mr. Knowles: I should like the minister to make a few comments on section 96. We have already been referred a number of times to the definition of offensive weapons which is found in section 2, subsection 29, and that definition does seem to be rather wide. In the light of that, the point upon which I would like the minister to comment is the authority given to a peace officer to make a search without warrant. I should like to know whether that phrase "without warrant" is new. Even if it is not new, will the minister comment on it in relation to, as I understand it to be, the general practice that searches are not made except with warrants?

Mr. Garson: On the last point that was made by my hon. friend, it is not new; it is the present section 128. My hon. friend will perhaps recall that when in 1951 this series of sections of the code dealing with the registration of firearms, containing amongst others this provision, was before the house, there was a debate upon this point as to the propriety of permitting the peace officer to make this search. He will perhaps recall that upon balance it was thought to be in the public interest that he should have the right to do so whenever he believes on reasonable grounds that an offence is being committed or has been committed against any of the provisions of sections 82 to 91. The section goes on to say that he may search, without warrant, a person or vehicle or premises other than a dwelling house, and may seize anything by means of or in relation to which he reasonably believes the offence is being committed or has been committed. But unless there is that necessary antecedent of reasonable grounds he will not have the right to make the search or seizure. Only then can he do it.

When we take into account that if a peace officer on reasonable and probable grounds believes that certain offences have been committed by an offender he may without warrant arrest him, it would not seem that the

powers given under this section are an unreasonable addition to the other powers which he always has had.

Mr. Knowles: It was perhaps because of that discussion a few years ago that the thought has been lingering in my mind. I do not wish to appear to be saying anything that would seem to condone the concealment of any of the really offensive weapons that are referred to in the sections to which there is cross-reference in this section, but I did wonder if there was any kind of restraint on a peace officer under those conditions. What would happen if for example, despite the fact that in the opinion of a peace officer there were reasonable grounds, it turned out there were no such reasonable grounds?

Mr. Garson: The law says when a peace officer believes "on reasonable grounds", not upon grounds that he believes to be reasonable. The reasonableness of the grounds is an absolute condition. If he believes upon grounds which in fact are not reasonable then he is exceeding his jurisdiction.

Mr. Knowles: Are these "reasonable grounds" defined in any way?

Mr. Garson: No, because it would be very difficult to define them. The grounds in a case of this sort, will vary a great deal from one case to another, but under language of that sort the onus is upon the peace officer to show, if his action is challenged, that the grounds upon which he acted in a particular matter were in fact reasonable, and he has to convince not himself but other people.

Mr. Winch: He has already made the search, has he not?

Mr. Garson: Yes, he has already made a search or it may have been a trespass or an assault if he has stepped in and made a seizure like that upon grounds which are not reasonable. If the person against whom the seizure is made attacks the search or seizure, the peace officer has to defend his position by showing that he acted upon grounds which were in fact reasonable.

Mr. Winch: I am very interested in this section. I honestly admit that I am in search of information so as to completely understand it, because in my estimation it is a very important section. Anything that deals with the civil rights of the individual and a denial of these rights to the extent that a person can be searched, his offices can be searched or his place of business can be searched without a warrant, is something that should be understood in all its implications, and it should be fully interpreted before it is placed in the Criminal Code of this country.

[Mr. Garson.]

For a long time I have been interested in knowing just what amounts to "reasonable grounds". If the Minister of Justice were not as well known as he deserves to be, and he was in front of the Canadian Bank of Commerce here in Ottawa, walking back and forth repeatedly and looking around him suspiciously—I know this would never occur —because his wife had arranged to meet him there at three o'clock and he had misunderstood and thought she had said two o'clock, would that be reasonable grounds for searching the minister without a warrant, simply because he was loitering around the bank? It may seem rather far-fetched, but I simply wanted to give that illustration.

Under no circumstances would I want to be misunderstood. The people of this country have to be protected and their property has to be protected; therefore peace officers must have certain powers. That a man's home is his castle is well recognized under this section, because the section does not apply to a person's own dwelling. As I read section 96 in that case a peace officer must be in possession of a search warrant; and if that is a recognized principle as regards a person's home just where does the principle vary to permit a search of his office or his place of business, without a search warrant?

I am particularly interested in the right to search a person without a warrant. There is a very grave matter here of civil rights and I would like to have, if at all possible, the clearest indication and interpretation of the administration of this particular section.

Just one word in regard to what the minister said a moment ago about the responsibility of the officer in having to show, if challenged, the "reasonable grounds" on which he acted. The fact remains that the act of search has already been concluded and the embarrassment that might result is already there. It is just a matter then of the pride of the individual as to whether he wants to take the matter into the court.

My hon. friend is shaking his head. Perhaps he can explain. The fact is that there can be a search without a warrant. An officer or anyone with the necessary authority can, if he so desires, search a person and go right through with the search and there is nothing you can do about it. At least that is my understanding. I do not know if I have made myself clear. I would certainly like to have from the minister the clearest possible definition of what is meant by "on reasonable grounds". I would also like to know what the position of a person would be if they objected. Suppose a search is made, and as I interpret the section it will be made

if the officer so desires; what is the right of the citizen in this matter if it is proved he was searched on unreasonable grounds.

Mr. Pouliot: I wonder if the hon. member would care to give us his interpretation of what he might consider to be "reasonable grounds" for search?

Mr. Winch: I will answer that by saying I am not a member of the legal profession. I am not bringing in this act. I am asking those responsible for bringing it in to explain it so I can use my own good judgment on their explanation. I will say this, though; that my interpretation would depend on what province I was in.

Mr. Pouliot: But that is not the answer. The hon. gentleman has been discussing law for a long time, and I am sure he knows what he speaks about. I therefore ask him to kindly clarify what he means by "reasonable grounds" himself, or if he thinks there are none.

I am very much interested in what the hon. gentleman says, for he speaks with authority in this house. I would like to enjoy a part of his knowledge. I have been listening to him for a long time, since the beginning of the session, and always with interest for he speaks with clarity and with knowledge. My only complaint is that he does not speak often enough. He should speak more. I want more enlightenment from him and I am sure he will not be stingy enough to refuse me or refuse his colleagues. It is a joy to listen to the hon. gentleman. He is a born speaker, a born philosopher, and every time he speaks it is only drops of wisdom that fall from his lips. I have been here a long time but I have never listened to an hon. gentleman who spoke with such ease and fluency.

Therefore, Mr. Chairman, surely it is not too much to ask the hon. gentleman to tell us what he means by "reasonable grounds" so his constructive suggestion may be taken note of by the minister. I am sure he knows what he speaks about. Therefore why should he be adamant in refusing to give the simple explanation that we are asking from him?

I am not asking much. He says a great deal. I do not understand the meaning of what he has expounded, and it is necessary for me to know a little bit more. Perhaps all I want is a dot over an "i", a comma or something like that, just a tiny little bit of information that will help me, the minister and the whole committee to understand something in the fine demonstration of oratory the hon. gentleman has given.

Some hon. gentlemen are smiling. I am extremely serious. I want to know what it is about. I am ready to learn. I am in the learning stage. I am not doctrinal. I am not ponderous; at least, I do not think I am, except when I am serious. This point I must insist upon. I want the committee to realize that this is a serious question. I want to know what is in the mind of the hon. gentleman because unfortunately I am not a mind reader.

Therefore, Mr. Chairman, the hon. gentleman would be very gracious if he were kind enough to make another short, didactic speech to us. My knowledge of the English language is not extensive, but I will use the adjective "didactic"; I want to learn. I am ready to listen to the view of the hon. gentleman provided that I know what he is speaking about.

The matter of "reasonable grounds" has been mentioned. May I say that I am on reasonable grounds when I am asking my question. It is a reasonable ground because this is a serious question and I am just as anxious as is the hon. gentleman that no one should suffer any injustice.

There are courses provided for the R.C.M.P. constables. They are told how to proceed when they have cases to investigate. They must be told what is a reasonable ground for searching a place or an individual. If the hon. gentleman does not find that the act is clear enough, it is unfortunate. He says he is not a legal man, but he is a man with great experience in politics and in debate in particular. He could quote examples to illustrate his view. That is the method teachers use, at blackboards with chalk in hand, in order to explain problems. This time no blackboard or chalk is necessary. The hon. gentleman has only to open his mouth and let the drops of wisdom fall from it.

That is all I want. I do not want any more than that. Then the hon. gentleman would confirm his reputation as a debater of note, and I would know what he is speaking about.

Mr. MacInnis: After having listened to these pearls of wisdom, Mr. Chairman, may I draw attention to the fact that as to this right of search in section 96, the purpose is extremely limited. It all has to do with something about firearms, the possession of them, the buying of them and so on. As I understand it, it must be in the code now. If it is not, the policemen in Vancouver are violating this code every day. Whether or not the officer would feel that he had reasonable ground would depend upon where the individual might be.

I am quite sure that in the circumstances in which the hon. member for Vancouver East found the Minister of Justice, the officer would take one look at him and conclude that there were no reasonable grounds, and that would be the end of the matter. But if, for instance, in the city of Vancouver a policeman were to find the hon. member for Vancouver East and myself walking in the lane between Cordova and Powell streets on a foggy night, he would very likely tap us on the side to see what we had on us and with a warning he would let us go. If he found us up by the Hudson's Bay Company's store at Granville and Georgia streets he would not bother us at all. In the committee I thought there was something sinister in this section; but if the hon. member for Vancouver East will read it I think he will find that it is very limited in what it allows.

Mr. McIvor: Mr. Chairman, does not the question of urgency enter into the matter? If the officer has to wait to get a warrant he may find that the crime will be committed before he gets it.

Mr. Winch: Mr. Chairman, let us not carry this matter to the farcical stage. I thought I made the point clear that, as far as I was concerned, we all fully understood that there must be certain rights and authority in the hands of the police officers of this country. There is no question about that whatsoever. My hon. friend who has just spoken knows that. On this question of what is meant by reasonable grounds, may I say that I greatly appreciate the remarks of my friend the hon. member for Temiscouata.

Mr. Knowles: He is everybody's friend.

Mr. Winch: As a matter of fact I am starting to wonder whether the minister, in holding over section 88, should not also take under consideration the banning of switch knives, not only those up the sleeves but also the linguistic ones of my hon. friend. I know he said he is very ignorant, but since I have been here I have noticed that he is one of the most politically wise men I know of the 265 members in the house.

Mr. Sinclair: How the compliments are flying.

Mr. Winch: He is not ignorant at all. He did me the great honour of asking me to explain this matter. That was a great honour. With all his wisdom and experience I think he should have explained it. But as he does not require an explanation from himself, he is asking me the very question we are asking the minister who introduced this bill. Surely it is an axiom that, before passing legislation, we should ask from the one who introduces it just what is the purpose of it, the meaning and the interpretation.

I have just one further word to say. The question of what is reasonable will have as many interpretations as there are police officers. Any clarification on that point that can be obtained will be most useful, and also with reference to the search of premises without a warrant. We must go every step of the way that is required to give police officers the means to protect property and society, but I would emphasize again that in the granting of such authority we must also not overstep the mark so far as the protection of the civil rights of the people of Canada is concerned.

Mr. Pouliot: I thank my hon. friend for his little speech. I am sorry there was no more enlightenment, but I will explain to him what I understand by this provision of the law. I wonder what his reaction will be and whether or not he will agree with me. We must take a classic case. Police constables are on duty on a street and they hear the noise of guns. They go to the corner, and they see a man running away. They cannot recognize him because they see him from the back, and looking at him from a distance they see him go into a house. They have not seen his face. They go into the house and they see some men there wearing clothes of the same colour as those of the man they are pursuing. Would my hon. friend have any objection to the searching of those men by the constables who were running after a man who went into the house?

Mr. Winch: No.

Mr. Pouliot: Well, then, that is a reasonable ground.

Mr. Jones: May I point out to the hon. member that he has not read the clause. Dwelling houses are exempt. Policemen cannot enter dwelling houses without a warrant.

Mr. Pouliot: Then the law should be amended in order to include rooming houses. I want my hon. friends, or any one of them, to mention the flaw in the law. The law must be more severe than it is now to meet emergencies, and of course most arrests are emergency arrests. I could ask the Minister of Justice whether the largest number of arrests are not made without warrants right on the spot by the constabulary, whether federal, provincial or municipal. These men are on duty to protect human life and property, and when they receive a telephone call at night they do not go to a magistrate to get a warrant. They are on the spot and they make the arrest. This is how they do

it, and I am not speaking as a lawyer. I am speaking as a man on the street. It is general knowledge. Therefore they must be empowered to act.

I will agree with the hon. member for Vancouver East that there are some constables who have no judgment. It happens in any class of society. There are men without judgment, and there may be errors. It is unfortunate, but on the other hand there must be protection of the people. This is very important, and this is the very reason we are now discussing this piece of legislation. It is all right, as my hon. friend has said, to protect liberty and freedom, but those who want to enjoy liberty and freedom must abide by the law of the land. I do not see why we should be more indulgent to thugs, bandits, housebreakers and all those who create disorder and are a plague on society.

The other day I heard one hon. member say that in the future when we are more civilized punishment will not be so harsh as it is now, and that this will be a sign of progress. What I maintain is that progress will be achieved through abiding by the law. That will be progress. When constables are on duty and risking their lives to protect the Canadian people they deserve consideration. They are not all perfect. I give some of them the benefit of the doubt. They are entitled to it because they risk their lives at every moment of the day.

My hon. friend enjoys liberty. I do also, and we all do, but we want the Canadian people to enjoy the same liberty that those who do not respect the law are supposed to have, according to some hon. members. If I spoke in a jocular or light vein in the first place, I am very serious now. There are those who contend, like the hon. gentleman, that we will have progress in Canada when the law is not respected or when those who infringe the law go scot free, but I say if that happens we will have chaos and anarchy in the country. I want order in the country. I want good government, and we have it. I want order, and I hope we will have it. That is the purpose of the Criminal Code of Canada.

Sir, there were ten commandments given by Jehovah to Moses a long time ago by which the world was ruled for centuries, and the penalty was to come from God in the other world. But now mankind has grown so wicked that there cannot be enough law to maintain order not only in this country but in all countries of the world. Therefore I hope that my hon. friend will realize that it is important to have an enactment like this which will permit constables to protect human life and property in Canada.

The Chairman: Order. The manner in which the debate on section 96 has proceeded has pointed up a difficulty which I am experiencing, and which I pointed out I would experience when the bill first came into committee. Apparently I am not bound by the ordinary rules of the house whereby I should call the bill section by section, owing to an agreement among hon. members that we will call the sections in order but that certain sections will stand and we shall then return to them in an orderly manner at a later date.

This rule would be easy of application, but unfortunately a rider was added under which certain clauses were not to be dealt with if, in the words of the minister, the debate seemed to be proceeding too far. It is impossible for me to decide when the debate is proceeding too far. The minister assured me he would throw in the sponge when he decided it had gone too far. I believe the member for Winnipeg North Centre (Mr. Knowles) said that we would know from the sense of the house when the debate had gone too far. In my opinion section 96 must stand, or the debate must be concluded, or we must go back to the regular rules of the house.

Mr. Garson: I was waiting for an opportunity to answer the very fair question which was asked by the hon. member for Vancouver East. I doubt very much whether I can improve upon the answer which was given by his own colleague, the hon. member for Vancouver-Kingsway.

The Chairman: Order. I must ask whether this agreement is to stand, whether we are going to proceed with an unlimited debate on the section at this time, or whether we must proceed to deal with the bill section by section.

Mr. Fulton: May I help the minister with a suggestion? The hon. member for Winnipeg North Centre made his suggestion earlier, and I wonder if I might make this suggestion now. While we appreciate to the full the difficult position in which this unwritten agreement places you, Mr. Chairman, we are all endeavouring, so far I think it is fair to say with considerable success, to live up to the spirit of that agreement. If on any side of the house, either the minister or his colleagues, here in the official opposition, my friends of the C.C.F. or the Social Credit, we should feel that the discussion has proceeded to a point beyond which it is not sensible to go and there is no indication the section will

be carried in a few minutes, then one of us will indicate that we think the section should stand.

I would suggest to you, sir, with the greatest respect possible, that until you receive such an indication from one or more members of the house you might allow the discussion to continue in the expectation, which I think is reasonable, that so long as no member says the time has come to stop this discussion and have the section stand, of concluding the debate on it within a time which appears reasonable to us. I can assure you that when any one of us feels that that time has come and we must put a stop to this, one of us will so indicate and then perhaps you, as chairman, could say that the section should stand.

Mr. Garson: As I was saying, Mr. Chairman, I doubt very much whether I can improve upon the excellent explanation which was given by the member for Vancouver-Kingsway. Let me take the case which was cited by the hon. member for Vancouver East, and I discuss this with some modesty. If a police officer proposed to search me without a warrant, merely because he saw me waiting for my wife, he would not be acting upon reasonable grounds, I suggest, under all the circumstances.

On the other hand, if a police officer were looking around at night in a dark alleyway at the back of a warehouse and discovered one man lifting another through a window which had just been broken open, and he proceeded to search them for weapons, I would think he would be acting upon reasonable grounds. As to whether, between those two extremes, the facts of a particular case constitute reasonable grounds, that is a matter the peace officer must establish in each case in order to justify his search. The idea that he can just do these things without reasonable grounds and shrug off responsibility is without foundation.

If the hon. member for Vancouver East will go back to section 28 and following sections in this bill he will see there set out the circumstances under which a peace officer is protected from criminal or civil liability in respect of the actions which he takes as a peace officer. In a free, democratic country, such as we have in Canada, a peace officer has little more power than the average citizen. He is strictly answerable for his conduct. He must find, under the code, legal support for whatever action he takes.

Now, it may be that in so far as his civil liability is concerned he would not have the financial resources to make a suit for damages worth while. But I am sure the hon. member has heard of cases in which a private detective operating in and for a department store detained a person suspected of shoplifting upon what he thought were reasonable grounds, and to his consternation discovered later that his employer was on the receiving end of a heavy suit for damages. That is the kind of liability which arises when a peace officer exceeds his powers under the law.

In this particular case, as has been explained by other speakers, the question with which we are faced is whether we shall ask a peace officer, when he finds men under those conditions I have cited—in the course of breaking into a warehouse—to get a police magistrate or justice of the peace out of bed in the middle of the night to obtain a warrant and then go back to search or arrest the men. The only other way in which he could make a search is upon reasonable grounds.

I must confess that when I first saw the section my reaction was somewhat along the lines of that of the hon. member for Vancouver East. When I read that a peace officer had the power to search a structure, I rather objected until I saw that a dwelling was excepted from it, and that as a result our homes were still our castles. When this section is confined to those cases in which reasonable grounds can be shown, and when it only applies to premises that are not dwellings, I really do not think it is as exceptional as the hon. member for Vancouver East has thought.

Mr. Michener: To my mind the minister's explanation leaves one point obscure which I think the house ought to appreciate. The object of this section is to give the peace officer power to search vehicles and premises only in a limited number of cases. In the cases that have been presented to the house we have had conjured up crimes of violence, forcible entry and robbery. Those cases are not covered by this section. The code does contain, and very properly, provisions which not only permit but exhort even ordinary citizens to arrest persons committing acts of violence. It is the duty of people to do that, without any such section as we have here. This section gives the peace officer the right in a limited number of cases, namely cases involving carrying firearms—am I right?

Mr. Garson: No. According to section 82—

> Every one who carries or has in his custody or possession an offensive weapon for a purpose dangerous to the public peace—

In other words, if a burglar is going through a window he can be searched to see if he has a revolver on him.

Mr. Michener: I follow what the minister says, but the section is limited to searches under sections 82 to 91, and those sections involve carrying or dealing in offensive weapons or firearms. For example, section 84, which we discussed earlier, deals with concealed weapons. A peace officer may come up to a person on the street, and noting a bulge in his coat conclude that he had a concealed weapon. Then, if his grounds were reasonable, he could make a search to make sure whether it was or was not a concealed weapon. But that is not the kind of offence where anyone is immediately in danger. So I do think the committee should appreciate that this sort of leeway given to a police officer is for a different kind of case from the hot pursuit of a criminal who has just committed a crime, or when a crime of violence is imminent.

Mr. Garson: With great respect to the hon. member I suggest that he might keep in mind the very case I cited, that dealing with the two men who got through a warehouse window in the middle of the night. One of the things of which they are guilty, before they have begun to commit the robbery of the warehouse, is that under section 82, which is covered by section 96, they are carrying or they have in their custody or possession an offensive weapon for the purpose of endangering the public peace or for the purpose of committing an offence.

Mr. Michener: I appreciate what the minister has said, but I do not believe I follow his reasoning exactly. The person to whom the minister has referred, who enters a warehouse for the purpose of committing a robbery, would be committing the crime of breaking and entering.

Mr. Garson: And also the crime of having in his possession an offensive weapon.

Mr. Michener: And therefore he could be searched or arrested without the benefit of section 96 at all.

Mr. Garson: Yes.

Mr. Michener: So if section 96 were used, it would be because of some weapon being carried?

Mr. Garson: Yes.

Mr. Michener: So I suggest the distinction should be borne in mind that we are extending it to a classification where there is no imminence of a crime. It is just the fact of carrying a dangerous weapon that has to be considered.

Mr. Garson: May I cite a case to my hon. friend where two gentlemen are not going through a window. These two gentlemen are walking up and down behind a warehouse, or in the alleyway adjoining a store. A policeman comes along and, as my hon. friend has said, sees something bulging in their pockets. Would he not be under some compulsion, in the discharge of his duties, to make a search for offensive weapons?

Mr. Michener: I would answer in this way, that in my view unless there is some more serious crime involved or suspected by reason of that loitering, it is not enough to give the right to search a person without a warrant, simply because he is suspected of carrying firearms. After all, the inviolability of the person is something we should not give up lightly, unless a serious crime is involved.

Mr. Hahn: Under this section would a police officer be privileged to, let us say, pick up a youth if he thought the youth had in his possession certain things taken from a building that had been entered? Could he pick up that youth, if he saw him in that area?

Mr. Garson: I do not think I understood the hon. member's question.

Mr. Hahn: I am referring to a youth or some other individual whom a police officer might have seen near premises, and of whom he had reason to be suspicious at, let us say, four o'clock in the morning. The boy might not have a gun, or anything like that, but he might have in his possession some money or some other things he had stolen.

Mr. Garson: Under this section the officer would be confined to the power given by it, and for any other purpose he would have to find his authority in some other section of the Criminal Code.

Mr. Fulton: I suppose if a police officer arrested this person for some other motive, that is to say if he suspected this person of some crime or an attempt to commit a crime but picked him up on the grounds of having a weapon, following which it was found that he had not committed a crime and did not have a weapon, the police officer would still be liable to proceedings for unlawful arrest?

Mr. Garson: I apprehend that when a police officer takes this action he is in a position where, if the validity of what he has done is challenged, he must show that he acted upon reasonable grounds. Canada is not a police state. The police here do not have unlimited powers. They have only those powers given in the statute. A police officer acting under this section must show

in every case reasonable grounds to protect himself against both criminal and civil responsibility.

Mr. Fulton: If a police officer arrested a person on some fancied or unreasonable grounds because he thought such person was guilty of a crime, and used this section as an excuse, it would not protect him from proceedings for unlawful arrest?

Mr. Garson: No, or assault.

Section agreed to.

Sections 97 and 98 agreed to.

On section 99—*Interpretation; "evidence".*

Mr. Adamson: I would call attention to subsection (c) (ii) which says:

—before the Senate or House of Commons of Canada or a committee of the Senate or House of Commons, or before a legislative council, legislative assembly or house of assembly or a committee thereof that is authorized by law to administer an oath—

I have been a member of the house for some time and have served on committees. What committee is authorized to administer an oath?

Mr. Garson: I think the answer to my hon. friend's question will be found in the rules of the house. Then he will recall that in the setting up of committees they are usually empowered to call witnesses and administer oaths. They derive their authority in that way.

Mr. Adamson: I realize that that is so, but I do not remember any case where a witness has been examined under oath by a parliamentary committee. I think it is a retrograde step in a parliament under the British system to have the power to subpoena witnesses and administer oaths to them. I am asking the minister to explain the system, because our system has been one of voluntary witnesses appearing before parliamentary committees to give their evidence or their opinions. The committees in turn are responsible to the house. What I am really driving at is to indicate the difference between our system and that in the United States today, where people can be brought before a house committee and summoned for contempt of court. I would ask the minister to explain that one point in the Criminal Code.

Mr. Knowles: I have known of witnesses being sworn before the prices committee, and before other committees of the house. And if the hon. member for York West wishes to visit a committee where witnesses are sworn every day, let him visit the divorce committee in the other place.

[Mr. Garson.]

Mr. Garson: What the hon. member for Winnipeg North Centre has said is perfectly true. While it is true that probably there are more committees of the house before which witnesses give their evidence voluntarily, and without being sworn, there are plenty of examples where it is deemed wise by the committee to have the evidence taken under oath. This is done in those cases where it is considered that an oath is required in relation to the evidence given, such as in divorce proceedings.

Mr. Adamson: Not being a senator, I have not sat on those committees.

Section agreed to.

Sections 100 and 101 agreed to.

On section 102—*Frauds upon the government.*

Mr. Knowles: It seems to me attention should be drawn publicly to the wording of subsection 2, which is as follows:

Every one commits an offence who, being a party to a contract with the government directly or indirectly subscribes, gives, or agrees to subscribe or give, to any person any valuable consideration

(a) for the purpose of promoting the election of a candidate or a class or party of candidates to the parliament of Canada or a legislature, or

(b) with intent to influence or affect in any way the result of an election conducted for the purpose of electing persons to serve in the parliament of Canada or a legislature.

Perhaps at the same time I should put subsection 3 on the record, which prescribes the punishment for the offence against the subsection I have just read. It reads:

(3) Every one who commits an offence under this section is guilty of an indictable offence and is liable to imprisonment for five years.

Mr. Chairman, I am not going to go back as far as Beauharnois, but I do recall that about 1946, I believe it was, when the question of the increase in the price of steel was under investigation by a committee of this house, Mr. Hilton, the president or the head of the Steel Company of Canada, was before that committee. If I remember correctly, one of the bits of evidence he gave was that that company had made contributions to both the Liberal and Progressive Conservative parties. He was asked whether he had gone any further than that, and it was clear that he had not. It was the company's own statement that contributions were made to these parties. Well, surely contributions of that kind come within the definition spelled out in subsection 2 of this section.

I confess that I have not any evidence at the moment on this further point, but it does occur to me that it is very likely that

the Steel Company of Canada, being the large company that it is in the field of steel, in view of the defence requirements of this country, undoubtedly has contracts with the government of Canada. I should like to know what the application of this section is to the Steel Company of Canada or to any other company that has any kind of government contract and makes contributions to the funds of the Liberal party or of any other party in this house.

Some of my Conservative friends around me are drawing my attention to the point that the Steel Company of Canada is not a person. I am prepared to hear comments on that point. It does seem to me that a corporation surely cannot get out from under the law. Surely if this means anything it should be brought to bear on the kind of case to which I have just referred. I should like to hear from the minister as to what he thinks is a proper interpretation of this subsection. I should like him to tell us whether there have been any persons or firms charged under this section. I should like him to tell us whether the government is serious in having this section continued on the statute books of the country.

Mr. Fulton: Before the minister does that he might also like to take into account this possibility. I mention it as a possibility, because I am sure the state of affairs my hon. friend has in mind would not be referred to by him otherwise than as a possibility, either. My hon. friend believes that unions should be free to make contracts with the government. I believe that my hon. friend's party also believes that unions should be free to contribute to the political funds of the party of which he is a member. Therefore I wonder whether the minister would take that possibility into consideration when he comments.

Mr. Michener: Will the minister also take this possibility into consideration? There are a great many farmers on the prairie provinces who have contracts for the sale of their wheat. It is true that they are not directly with the government, but with an agency of the government. I am sure they would like to be free to make contributions to any party.

Mr. Ellis: I should like to know from the hon. member for Kamloops what unions have ever had contracts with the government or have been doing business with the government in the manner in which the Steel Company of Canada might be said to be doing business with the government.

Mr. Fulton: I have just said it is a possibility. The hon. member and his party have always advocated the right of unions to make contracts.

Some hon. Members: Carried.

Mr. Knowles: We are waiting for the minister; we are all ears.

Mr. Garson: I am afraid I did not get my hon. friend's question. Would he please repeat it. Is he opposed to the section?

Mr. Knowles: By no means. I could make the speech again, if the minister did not hear it when I made it before.

Mr. Garson: Just the question, that is all.

Mr. Knowles: My question is, has anything ever been done to a company like the Steel Company of Canada which admitted through its president in 1946 that it made contributions to the Liberals and the Conservatives and which has, I would assume, because of the field in which it is working, contracts with the government; or has any person or any company been charged under this section? My last question was, is the government serious in having this section on the statute books? Does it intend that it shall be enforced?

Mr. Garson: The government is certainly serious in having it on the statute books, and it has been on the statute books, as my hon. friend is aware, for many decades.

Now, as regards my hon. friend's allegations with regard to the Steel Company, or any other company, it is very easy to make them. But if my hon. friend is under the apprehension that the Steel Company or any other company has committed an offence under this section, then if the prosecuting officers whose responsibility it is to lay charges in these matters do not do so, there is nothing in the world to prevent my hon. friend, in the discharge of the same virtue which he displays here on so many occasions, himself going down to the police court and laying a charge against the Steel Company, which would then be prosecuted.

Mr. Nicholson: I happen to have the evidence that was placed before the committee in 1946.

Mr. Fulton: I think my hon. friend should be informed that the statute of limitations takes effect after about six years. The right has now expired.

The Chairman: Order.

Mr. Garson: That did not prevent my hon. friend from laying the charge before the expiration of the time limit.

Mr. Knowles: There have been two elections since then.

The Chairman: Order.

Mr. Sinclair: How did you do?

The Chairman: Might I now take this opportunity of saying to the committee that I am afraid we shall make very little progress if hon. members choose on particular sections to bring up matters of certain particularity. I would like to see hon. members confine their questions to interpretation, to meaning or to matters pertaining directly to the section, and not to some particular case which has come to their knowledge.

Mr. MacInnis: I do not think you should be too impatient. We are making excellent progress. You must remember that the Criminal Code has not been revised since 1892. That is a long time for people to accumulate grievances. We are doing excellently; do not try to limit us too much.

Mr. Nicholson: The fact that we are dealing with section 102 indicates that we have really made excellent progress, but it appears that immediately we reach an interesting point we are told we should close the discussion.

At this particular time perhaps hon. members would be interested to learn that on July 23, 1946, the question the hon. member for Winnipeg North Centre was discussing was before the special committee on industrial relations. Mr. Case, a Conservative member, had made a good deal of the fact that the unions had made contributions for political purposes, and apparently no member of the committee took any exception to the questioning. The following day my hon. friend the member for Vancouver-Kingsway asked a perfectly logical question of Mr. Hilton, president of the Steel Company of Canada. The question was this. "Do you or your company make contributions to political parties?"

That appeared to be a somewhat embarrassing question and it was not answered immediately, but the hon. member for Vancouver-Kingsway, then as now, was a very persistent person, and he was able to convince them that this question was very reasonable. Finally, after a good deal of bickering, Mr. Hilton said, as reported at page 179 of the proceedings of the standing committee on industrial relations, dated July 23, 1946:

> If the committee feels that the question should be answered, yes; we make contributions to political parties.

Then it was the hon. member for Trinity, I think, who followed up with some more—

[Mr. Garson.]

The Chairman: Order. I hope the hon. member will be able to conclude his remarks by relating them to the section under consideration and by asking the minister a question which will have pertinency to the section under consideration.

Mr. Nicholson: Mr. Chairman, let me call the attention of the committee to section 102, which states:

> (2) Every one commits an offence who, being a party to a contract with the government directly or indirectly subscribes, gives, or agrees to subscribe or give, to any person any valuable consideration
>
> (a) for the purpose of promoting the election of a candidate or a class or party of candidates to the parliament of Canada or the legislature, or
>
> (b) with intent to influence or affect in any way the result of an election conducted for the purpose of electing persons to serve in the parliament of Canada or the legislature.
>
> (3) Every one who commits an offence under this section is guilty of an indictable offence and is liable to imprisonment for five years.

The hon. member for Winnipeg North Centre asked a pertinent question, as to whether the government has been serious about this section and if there have been prosecutions. I was on the point of asking if anything had been done about the questioning by Mr. Skey. He asked Mr. Hilton whether Mr. Hilton had come to Ottawa to make representations to the wartime prices and trade board with a view to increasing their income by $2,500,000, and Mr. Hilton had. I submit, Mr. Chairman—

Mr. Hunter: On a point of order, Mr. Chairman, surely the purpose of this committee is to study these sections and see whether they are desirable or whether they should be amended. If the wording is agreeable they should be passed. We are not here to examine some specific act that may or may not have occurred or to examine some alleged offence against the section. We are here simply to determine whether a section is good or bad law and whether it should be adopted, and if it is not good law how it should be changed. We are not here to try any alleged offence but simply to look at the wording and to see if it is desirable law for the people of Canada.

Mr. Nicholson: Mr. Chairman, I am about to conclude my remarks—

Some hon. Members: Hear, hear.

Mr. Nicholson: —but I submit that if we are going to keep this section on the statute books we should know whether the government has taken action—

The Chairman: Order. I assure the hon. member for Mackenzie that I would not interrupt him if he were merely using a

specific instance for the purpose of clarifying this section in some way. He will notice, however, that this section sets out a great many elements in the offence and I think, on his responsibility as a member of the house, he would be loath to mention any particular name unless he wishes to make an allegation that the offence embraces all these elements.

Mr. Nicholson: I am not taking any risks whatsoever when I read from a record placed before the house some years ago. If I had not been interrupted so many times I would have been through a long time ago. I think the minister should make some statement as to whether any action has been taken by the government when instances such as the one I have mentioned in connection with the Steel Company of Canada have been brought to the attention of the government.

Mr. Garson: Mr. Chairman, I can certainly disabuse my hon. friend's mind so far as I am concerned, because I was not here in 1946. I did not come here until January, 1949, and I must say that the remarks of my hon. friend and his colleagues of the C.C.F. party this evening are the first I have heard of this matter. If, therefore, my hon. friend is looking to me to elucidate it for him he is not going to get much comfort.

Mr. Barnett: Mr. Chairman, in rising on this point I do so believing there should be some reasonable method in this country by which a private person or a corporate body can back their political beliefs and faiths with their dollars. But there are one or two things in this section which give me pause for thought. Section 102 says:

> (2) Every one commits an offence who . . . directly or indirectly subscribes, gives, or agrees to subscribe or give, . . .

As in section (b) where it states:

> (b) with intent to influence or affect in any way the result of an election conducted for the purpose of electing persons to serve in the parliament of Canada . . .

The illustration which comes to my mind and which gives me pause for thought arises out of my recollection that in British Columbia we have an organization known as the British Columbia federation of trade and industry. It is a rather all-inclusive organization as far as some of the corporate interests in that province are concerned. Now, can this section as it now reads be interpreted to mean that a certain corporation, being a member and contributor to that federation of trade and industry, which publishes large advertisements and so on at election time, is thereby committing an offence if it happens to have a contract with the government of the day?

I wonder whether this section should not be considered for some possible rewording in that direction. If it is going to be out of line with what in many ways is becoming the accepted practice with regard to supporting and influencing an election then I think perhaps we should reconsider the section from that point of view; or are we going to agree that the method whereby certain interests in the province of British Columbia are continuing to influence elections is not right and proper and should not be continued? I feel this section should certainly have some further study before being passed in its present form. The use of the words "directly or indirectly" is subject to a very wide interpretation and it may very well be that charges could be laid.

An hon. Member: What political party do they support?

Mr. Barnett: They do not advertise in specific detail which of the political parties they wish to help. They seem to be helping a multiplicity of parties.

Mr. Nesbitt: Mr. Chairman, in this regard the wording of that section states:

> (2) Every one commits an offence who, being a party to a contract with the government directly or indirectly subscribes, gives, or agrees to subscribe or give, to any person any valuable consideration
> (a) for the purpose of promoting the election of a candidate . . .

And so on. Has the minister in this case envisaged a situation where a firm had a contract with this or any other government which might be completed in a matter of a week, and in a case of that kind would a person be committing an offence if he contributed to a campaign fund after the contract technically had expired? Would he be committing an offence just if he gave funds at the time, or does the time when the election is going to come up have a material bearing in this case? There is a time factor here that is extremely important.

Mr. Philpott: It seems to me that a strict interpretation of this section, as it stands now, would make a great many corporations in Canada liable to court process. It would also be embarrassing for a good many governments in Canada, including the present federal government, the Social Credit government of British Columbia, the Social Credit government of Alberta and also, I might say, the C.C.F. government of Saskatchewan. I believe a strict interpretation of this section would make liable to some kind

of process of law not only any corporation that ever subscribed to campaign funds but also I think certain trade unions that have political levies and also have contracts, for instance, in connection with transportation in some of the provinces.

I am wondering whether the minister would care to let this clause stand over and perhaps reword it in order to give it the meaning that everyone commits an offence who, in order to obtain a contract with the government, directly or indirectly, and so on. It seems to me that would better carry out the meaning of the section.

Mr. Adamson: Mr. Chairman, there is one suggestion that I wish to make. I am going to move an amendment at line 22, with regard to the words in subsection (a) "for the purpose of promoting the election of a candidate or a class". I am going to move that "or a class" be deleted. We in Canada pride ourselves that we are a classless democracy. We have no class in Canada. There is no upper class, no lower class, or no labouring class; we are all Canadians. I think that to have in the Criminal Code these words "or a class" is an archaic thing and denotes that horrid word "colonialism". I believe the words "or a class" should be deleted from the Criminal Code. We have done away with titles. Regularly we pass in this chamber bills about discrimination. To have the words "or a class" in the Criminal Code is to me archaic and wrong. If I am in order, I move that the words "or a class" be deleted from this section. I will write out the amendment, Mr. Chairman, if I must.

Mr. Fulton: The word is used in schools, so why not in the Criminal Code?

The Chairman: Shall the section stand?

Mr. Garson: Yes, I think we had better allow the section and my hon. friend's amendment to stand. I doubt whether the word "class" in this context has the meaning which my hon. friend describes.

Mr. Adamson: I am glad to hear the Minister of Justice say it does not, but it certainly seems to me something which is perhaps undemocratic.

Section stands.

Sections 103 to 113 inclusive agreed to.

On section 114—*False statements in extra-judicial proceedings.*

Mr. Nowlan: This section deals with the ordinary formal statutory declaration which can be made at any time or at any place. I notice that the punishment provided for that offence is 14 years—that is, of course, the maximum—which is the same as that provided for perjury of the very worst kind. Although the notes refer to sections of the code, yet in the code that exists today there is not such a severe sentence provided.

It seems to me that you are bringing into disrepute one or the other if you classify somebody making a false declaration on matters that cover everything under the sun in the same way that you classify somebody who goes into a courtroom and deliberately commits perjury. It seems to me that there is a matter of undue emphasis here, and that the sentence is altogether too severe. I think you are bringing the matter into disrepute by doing that.

Mr. Garson: As my hon. friend is aware, the penalties which are provided in the code, such as this one, are all maximum penalties. Under this section, if the circumstances and facts are of a particularly heinous character the magistrate or judge may impose a penalty of as much as 14 years. On the other hand if they are not serious he may impose a penalty of one day in order to meet the ends of justice as he sees them.

In this connection I think I should say that one of the main objectives of the draftsmen of the new consolidation bill has been to widen the scope which is given to the courts in fitting the punishment to the crime, by giving them a broad discretion from the maximum down to the minimum. I have sufficient confidence in our courts to feel that they will exercise this discretion properly.

I agree with my hon. friend that it is rather difficult to imagine a case of a false oath being taken in, say, a statutory declaration, which would be of a sufficiently serious character to warrant the imposition of a penalty of 14 years. But it is conceivable that such might be the case. I can recall one instance in my own province where it was on the basis of a declaration of this sort that determination was made of the validity of a will which diverted an extremely large estate to other people than those who would otherwise have been the heirs. In a case of that sort, if it could be shown that it was deliberate, and if it was in relation to a large sum of money like that, I do not know any reason in the world why the penalty for an offence of that character should be any less severe because the oath was taken in the form of a statutory declaration rather than by a witness in court.

Mr. Nowlan: Of course, with due respect to the minister I think he will agree it is no

answer to say that the section is only providing the maximum and therefore you do not have to impose that. If that were logical, then I would suggest to him that we could shorten the code a great deal by putting in one section and saying that the maximum punishment for any offence will be imprisonment for life; then you would not have to deal with these matters at all. But that is not the practice we have adopted in this code, and we do try to differentiate.

As the minister knows, it is always possible to reach into experience or history and find some isolated example or something which you can say justifies a certain act, such as the statutory declaration to which he refers. Yet I think he will agree that ordinarily the class of crimes contemplated by that section falls far short of perjury.

The code provides two years in one section and seven years in the other; I refer to the existing code. Now we are jumping the penalty to 14 years. You are either cheapening perjury or you are exaggerating the taking of a statutory declaration, one or the other. Can this offence be punishable on summary conviction? Can this offence be tried by a stipendiary magistrate and, on speedy trial, are we giving to the magistrate power to impose a punishment of 14 years? I am not clear on that matter right now. I should like the minister to cover it.

The Deputy Chairman: Shall the section carry?

Mr. Nowlan: No.

Mr. Garson: Just speaking from memory, I think the only magistrate who can try an offence of this character is a magistrate in a larger city, as the summary trial of an indictable offence. He is usually a man whose experience will compare favourably with that of a superior court judge.

Mr. Nowlan: He would be limited to two years under that section.

Mr. Garson: Surely the proper measure of a maximum penalty for an offence is the maximum culpability which can occur in association with that offence. In that connection I would remind my hon. friend that even in court proceedings there are some whose religious beliefs prevent them from taking an oath in the ordinary sense, and they would have to take a statutory declaration.

Mr. Nowlan: This section refers to "every one who, not being a witness". I draw that to the attention of the minister. This section does not deal with a witness in judicial proceedings, so it does not include that particular case.

Mr. Garson: That is right, but I think my hon. friend will agree from his experience as a lawyer that there are cases in which a statutory declaration of this sort can have, and in some cases has had, consequences just as great and just as deliberate as in any court proceedings.

Section agreed to.

Section 115 agreed to.

On section 116—*Witness giving contradictory evidence.*

Mr. Fulton: I have certain very deep-rooted objections to this section.

Mr. Knowles: Me too.

The Deputy Chairman: Shall the section stand?

Mr. Fulton: I thought we could perhaps dispose of it on an adverse vote tonight.

Mr. Garson: I think the arguments for and against with respect to this section are sufficiently strong that it might be better to present them on another occasion.

Mr. Fulton: All right.

Section stands.

Sections 117 and 118 agreed to.

On section 119—*Obstructing justice.*

Mr. Winch: Subsection 1 of section 119 reads as follows:

> Every one who wilfully attempts in any manner to obstruct, pervert or defeat the course of justice is guilty of an indictable offence and is liable to imprisonment for two years.

I would be very happy if I could obtain a definition of what is meant by "the course of justice". Is it used in the sense that it is used in legal circles and in the act, or does it mean obstructing, perverting or defeating the application or course of statutory authority? Basically is that the meaning of "the course of justice"?

I know that on the basis of justice a person can take action which may be in opposition to statutory authority. Back in the hungry thirties—and I hope such times will never return to Canada again—I can remember that under statutory law the mayor of Vancouver determined that he was going to go ahead and read the riot act when there were 5,000 hungry men gathered in Victoria square in Vancouver. That might have been all that was required to bring about a serious situation. A number of people, including members of the legislature, took the

position in the interests of justice that the riot act should not be read and endeavoured to persuade the mayor, in the interests of justice, not to take this action, although he would have been doing so in the course of statutory law.

I do not want to go into too much detail, but perhaps I have said enough to have my hon. friend realize what I have in mind and why it is of the utmost importance as far as I am concerned to know what is meant by "the course of justice", and whether it means the course of statutory law.

Mr. Garson: In reply to my hon. friend's question I would ask him to permit me to refer first of all to subsection 2 of section 119, which reads as follows:

> Without restricting the generality of subsection (1), every one shall be deemed wilfully to attempt to obstruct, pervert or defeat the course of justice who in a judicial proceeding, existing or proposed,
>
> (a) dissuades or attempts to dissuade a person by threats, bribes or other corrupt means from giving evidence,
>
> (b) influences or attempts to influence by threats, bribes or other corrupt means, a person in his conduct as a juror,
>
> (c) accepts a bribe or other corrupt consideration to abstain from giving evidence, or to do or to refrain from doing anything as a juror,
>
> (d) before or after being released from custody under recognizance, indemnifies or agrees to indemnify in any way, in whole or in part, his bondsman, or
>
> (e) being a bondsman, accepts or agrees to accept indemnity, in whole or in part, from a person who is released or is to be released from custody under a recognizance.

It is noted that subsection 2 covers a judicial proceeding existing or proposed, and I can cite my hon. friend the case of St. Jean *v.* The King, 69 Canadian Criminal Cases, at page 240. I think that probably covers my hon. friend's question. The phrase "attempts to obstruct, pervert or defeat the course of justice" is spelled out in this section itself.

Mr. Winch: That is my very point. It is my understanding that when you first have a subsection which sets forth very clearly the intent of the subsection and you then have a subsection which says "without restricting the generality" of the first subsection, you leave in full power and effect the wording of the first subsection. If we are not concerned with all the details of subsection 2 and the clauses thereunder we can consider subsection 1, and there is no control over subsection 1 except its own wording which says very specifically that every one who wilfully attempts in any manner to obstruct, pervert or defeat the course of justice is guilty of an indictable offence and liable to imprisonment for two years. There is no restriction of that power in subsection 2, absolutely none. Therefore I am asking what is the interpretation of the words "the course of justice" in subsection 1.

Mr. Garson: I am just as convinced as I was before my hon. friend began his argument that subsection 1 also refers to a judicial proceeding, but just to make sure that I convince my hon. friend more effectively I suggest that we let this matter stand and I will bring forward additional material which I hope will convince him.

Mr. Winch: Thank you.

Mr. Garson: I do not see how it could be given any other meaning, and the language used in subsection 2, "without restricting the generality of the foregoing", really is illustrative of what would happen under subsection 1.

Section stands.

On section 120—*Public mischief.*

Mr. Knowles: I should like to ask the minister a question or two regarding section 120. I note from the reference on the opposite page that this is a new clause, and I may say quite frankly that the comments I am making arise out of certain remarks made to me by a friend who is a lawyer. It does look to me as though the section in its present wording makes it possible for a person to be charged with an offence for doing something that really was not wilful or intentional on his part. For example, I think the point I have in mind could be made if I could simply refer to subsection (c), which reads:

> Every one who causes a peace officer to enter upon an investigation by wilfully
>
> (c) reporting that an offence has been committed when it has not been committed, is guilty of an indictable offence and is liable to imprisonment for five years.

In my view the quality of knowledge ought to be put into that section. The reference ought to be to a person reporting that an offence has been committed when he knows or ought to have known that it has not been committed. The same idea occurs to me with regard to paragraph (b), but I shall not spell it out for the moment because I am interested in what may be the meaning of the gestures the minister is making toward me at the moment.

Mr. Garson: My gestures meant that if the hon. member had finished his remarks I would be glad to try to answer him. Earlier I indicated that one of the purposes of the present consolidation of the code was to make the definition of Canadian crimes set out in this new consolidation bill inclusive of all the

crimes that could be charged in Canada. To that end I stated that we went back to 1892 and took a record of all the common law offences which had been charged, and one of those is the common law offence of public mischief. The reason this section is new is that this is a codification of the common law offence of public mischief.

The hon. member says he objects to paragraph (c) of the section because he thinks that under it a man who had innocently reported that an offence had been committed, when in fact it had not been committed, might be charged and perhaps convicted under this section.

Mr. Knowles: And sent down for five years.

Mr. Garson: I would ask the hon. member to read the whole of the section carefully. He would see that it reads this way:

> Every one who causes a peace officer to enter upon an investigation by wilfully—

I emphasize that word.

> —reporting that an offence has been committed when it has not been committed—

In other words, in order to establish that the accused is guilty of an offence under this section it is necessary for the crown to prove a guilty mind or *mens rea*. If the accused could say truthfully and convincingly "I am sorry that I passed on to you a report of this thing that I thought was true but which has proven to be untrue" I believe that would clearly establish a defence for him. The crown has to prove its case beyond reasonable doubt when the word "wilfully" is used. The accused can meet the prima facie case which has been so proven by establishing that, although he did report an offence had been committed when it had not been committed, he did not so report wilfully.

Mr. Knowles: I enjoy these free lectures in law that one gets along with being a member of parliament, but it seems to me that the word "wilfully" does not cover the question of knowledge. It seems to me that a person could wilfully and, shall I say, intentionally make a report to a peace officer because he believed such and such had taken place, but it just so happened that it had not taken place. It seems to me it could be established that the accused had done this wilfully. He meant to do it, but because he did not know the facts of the case he was in error. It seems to me that to write something into the Criminal Code that provides a five year penalty for that is a little bit stiff.

Mr. Fulton: I am sure we should not get into a technical discussion of the law, but does the minister not consider he is giving a meaning to the word "wilfully" which, if it were in fact to be written into the section, would require the use of the words "with malice aforethought", or some reference to maliciously or fraudulently? I do not think the word "wilfully" goes to the question of motive. The minister is quite right when he says the crown has to prove it was done deliberately, but as the hon. member for Winnipeg North Centre says that does not go to the question of motive. Before taking his seat, he said that words ought to be inserted in paragraph (c) concerning the reporting of an offence which he knows or ought to have known had not been committed. Otherwise you might get a man who made an innocent statement that an offence had been committed convicted and sent up for five years, when he acted in good faith.

Mr. Garson: As in the special committee of the House of Commons, I am quite prepared when we meet again to convince hon. members that what I have just said is right, or accept their wording.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: I intimated on Friday evening that on Thursday we would start the housing bill.

Mr. Fleming: The first thing on the order paper?

Mr. Harris: Yes.

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

HOUSE OF COMMONS

Wednesday, January 20, 1954

The house met at 2.30 p.m.

PRIVILEGE

MR. DREW—REFERENCE TO ANSWER TO QUESTION CONCERNING NATIONAL FILM BOARD

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege in relation to a statement made to the house yesterday by the Prime Minister (Mr. St. Laurent). Yesterday afternoon, in response to a question, the Prime Minister made the statement that the question of the removal of the national film board remained an open one until some definite item would be brought before the house. Then in the late afternoon edition of the Ottawa *Journal* I read that the definite recommendation in regard to the adoption of a tender for the construction of the national film board building was definitely going to the treasury board. It seems to me that these statements are inconsistent. Having regard to the general principle involved and the assurance by the Prime Minister that we would have something before us before this move was definite, it seems to me that we should know what the situation is.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I would hope that the house would take the statements made by the government in the house in preference to speculative reports by newspapers.

Mr. Drew: Mr. Speaker, of course that will depend upon the extent to which we can accept the statements. Does the Prime Minister say that the report in regard to this matter—

Mr. Speaker: Order. I am not altogether sure that because a reply was given to a question on a certain day, the hon. member may rise on a question of privilege the next day in order to get the answer corrected, especially if it is because of a report in a newspaper. As is provided by the rules, a member who makes a statement in this house does so upon his honour and the statement must be accepted. Once the question has been raised and a reply has been given, I should like to submit to the house that the matter cannot be debated. The Leader of the Opposition (Mr. Drew) has submitted his case. The Prime Minister has replied. I do not think that at this time, on this formula—that is, on the question of privilege formula—you can have a debate on the point which has been raised. That is the matter that I should like to submit to the attention of the Leader of the Opposition at this time.

Mr. Drew: Mr. Speaker, I accept without any question the proposition you have put forward. You have stated that when a question is asked and a reply is given, that disposes of the matter and there can be no debate. However, I submit that it is not an answer to the question I have asked to state the hope that the Prime Minister has that we will accept one formal statement instead of another. I have pointed out that there is a positive statement that this matter was to be submitted to or to go before the treasury board, a statement which is inconsistent with the statement made here. I think we have a right to know which is the correct situation.

Mr. Speaker: The Leader of the Opposition will recall that I prefaced my remarks by saying that when a member—and that includes, of course, the Prime Minister—makes a statement in the house, it is made upon his honour and must be accepted. What the Leader of the Opposition is putting against that statement is a statement which appeared in the press. Once he obtained clarification from the Prime Minister, I think the matter should end there. There will be other opportunities to discuss the point but I do not think that the matter, in the way in which he raised it—that is by way of question of privilege—should be debated at this point.

Mr. Drew: Mr. Speaker, in order that the record will not be uncertain, may I say that I am not questioning the fact that the Prime Minister stated yesterday what was, in his opinion, the correct position. But I would point out that circumstances change and that this was a later statement. I want to know if there has been a change.

POST OFFICE DEPARTMENT

TABLING OF REPORT BY MESSRS. J. D. WOODS AND GORDON

Hon. Alcide Cote (Postmaster General): Mr. Speaker, the Prime Minister (Mr. St. Laurent) spoke to me yesterday about the request made by the Leader of the Opposition (Mr. Drew) that the report to the Postmaster General by Messrs. J. D. Woods and Gordon be tabled in

the house. After pointing out that it was not the practice to table such documents and that there was no obligation to do so, the Prime Minister said that a minister could of course table such documents if he felt it was desirable, and he asked me if I had any objection to doing so. I would not wish to do anything to alter the general practice or to create a precedent which would have a bad effect on the proper administration of government.

The investigation by J. D. Woods and Gordon was undertaken by my predecessor, Hon. Edouard Rinfret, in a laudable desire to improve further the efficiency of a department which most hon. members have agreed was already well administered. The report was prepared for the guidance of the minister. When I received it, I studied it with the senior officials of the department and we have sought, where possible, to follow its recommendations.

The report was not prepared for parliament and I had no intention of tabling it, though I was not in the least ashamed of it. On the contrary, it emphasizes that the department is well administered and any changes they suggest should be carried out by departmental officers, who are well qualified to do it. However, it is well recognized that a minister may, if he feels it is desirable and will serve a useful public purpose, table documents which he is not required to table and which it is not the practice to table.

Since the hon. member for Notre Dame de Grace (Mr. Hamilton) has seen fit to cite selected extracts from the report with a view to putting the department in an unfavourable light, it is only fair to let the house have the full information; and since no harm will be done to the public interest by making the whole document public, I am tabling it.

In doing so voluntarily, I am expressly repeating the position of the government that there is no obligation to table documents of this character and that it is not our parliamentary practice in our Canadian system to do so.

If managerial reports to ministers are to be written with a view to tabling or publishing, they will deteriorate to uselessness. I hope, Mr. Speaker, it will not become a parliamentary practice in our Canadian system to cite in parliament documents to which one has been given confidential access.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, naturally I welcome compliance with the request for the tabling of this document, but I submit that the closing remarks of the minister were most improper. The document was made available to the hon. member for Notre Dame de Grace for the purpose of examination and for the purpose of taking a record of what was there. It was known to the minister that this was being done. I submit that the business of government is not the private business of those who temporarily occupy these executive offices but that it is the business of the people of Canada, and that when such a procedure is followed the people of Canada, through their representatives, have a right to know what the information is.

Moreover, I would point out that the practice that is now suggested as being an acceptable practice, that of hiding behind the statement that reports of this kind are confidential, could quickly close the door to all information about departments by the simple device of having the minister who orders inquiries in every case of this kind declare such reports confidential. Thus he could throw a veil over all the administrative activities of the department by means of this device, and I submit this should not be accepted as the practice in this house.

Mr. Claxton: That would close the door to all confidential advice.

QUESTIONS

CANADIAN NATIONAL RAILWAYS, ALBERTA—TRUCK OPERATIONS

Mr. Johnston (Bow River):

1. Does the Canadian National Railways own any trucks, trucking lines, or participate in any truck operation, either directly or indirectly, in the province of Alberta?

2. If so, to what extent and under what trade names are these vehicles licensed?

Mr. Langlois (Gaspe):

1. Yes.

2.

Number of trucks	Type of service	Location	Co. under which vehicles licensed
10	Local Cartage	Calgary	Canadian National Transportation Limited
14	Express	Calgary	Canadian National Railways
1	Express	Drumheller	Canadian National Railways
32	Express	Edmonton	Canadian National Railways
1	Express	Jasper	Canadian National Railways

At other points in the province of Alberta, where pick-up and delivery service is provided for Canadian National Railways express traffic, it is by arrangement with local carters.

CANADIAN NATIONAL RAILWAYS—PENSIONS

Mr. Knowles:

1. How many retired employees of the Canadian National Railways are in receipt of pensions of less than $25.00 per month?

2. How many are in receipt of only the basic pension of $25.00 per month?

3. How many are in receipt of non-contributory service pensions, (a) $25.01 to $29.99 per month; (b) $30.00 to $39.99 per month; (c) $40.00 to $49.99 per month; (d) $50.00 to $59.99 per month; (e) $60.00 to $69.99 per month; (f) $70.00 to $79.99 per month; (g) $80.00 to $89.99 per month; (h) $90.00 to $99.99 per month; (i) $100.00 to $124.99 per month; (j) $125.00 to $149.99 per month; (k) $150.00 or over per month?

4. How many are in receipt of pensions in part basic and in part contributory, (a) $25.01 to $29.99 per month; (b) $30.00 to $39.99 per month; (c) $40.00 to $49.99 per month; (d) $50.00 to $59.99 per month; (e) $60.00 to $69.99 per month; (f) $70.00 to $79.99 per month; (g) $80.00 to $89.99 per month; (h) $90.00 to $99.99 per month; (i) $100.00 to $124.99 per month; (j) $125.00 to $149.99 per month; (k) $150.00 or over per month?

CANADIAN NATIONAL RAILWAYS—BASIC PENSION

Mr. Knowles:

1. Has any provision yet been made for any increase in the pensions of retired employees of the Canadian National Railways who are in receipt of only the basic pension of $25.00 per month?

2. Has any reconsideration been given by the government at any time since the matter was last discussed in the House of Commons on May 12, 1953, to increasing the amount of the said basic pension? If so, what is the result of such consideration?

3. Has the management of the Canadian National Railways, at any time since May 12, 1953, discussed with the government the possibility of the amount of the said basic pension being increased? If so, are there any records of such discussions?

4. Has the management of the Canadian National Railways, at any time since May 12, 1953, asked the government to approve of the Canadian National Railways increasing the amount of the said basic pension? If so, what was the government's answer?

5. Has the management of the Canadian National Railways, at any time since May 12, 1953, asked the government to take the responsibility for providing an increase in the amount of the said basic pension? If so, what reply has the government made to any such request?

6. If no decision has yet been taken on this matter by the government, is the matter now under consideration?

Mr. Chevrier: I have explained to the hon. member that the answers to these questions will take some weeks to obtain because of reasons that I enumerated to him. He may find it possible to withdraw them and perhaps put them on the order paper at a later date, say in five or six weeks' time, when the answers will be available from the Canadian National Railways.

Mr. Knowles: The minister did speak to me about these questions this morning, and I want to say that I appreciate his desire not to have them appearing on the order paper for several weeks. It might seem to indicate that the department was not giving attention to them. I also appreciate the point that there is no need to have them printed every day until the time the answers are ready. Therefore I am quite willing to withdraw the questions now on the understanding that I will put them on the order paper again six weeks or two months from now when I understand the minister will be prepared to place the answers on *Hansard*.

Mr. Speaker: Withdrawn.

PAYMENTS TO GOLD AND COAL MINES

Mr. Balcom:

1. What were the total payments made to Canadian gold mines under the Emergency Gold Mining Assistance Act, for the fiscal years ending March 31, 1952 and March 31, 1953?

2. What assistance was given to the Canadian coal industry, for the fiscal years 1951-1952 and 1952-1953; (a) by subvention payments on the movement of Canadian coal to market; (b) under the coke bounty act?

Mr. Prudham:

1. 1951-1952, $11,207,863.27; 1952-1953, $11,016,099.40.

2. (a) 1951-1952, $4,623,696.94; 1952-1953, $5,949,004.86; (b) 1951-1952, $396,935.55, 1952-1953, $337,631.07.

With regard to (b) it should be pointed out that this assistance is paid to a steel manufacturing company to implement one of the recommendations of the royal commission on maritime claims and was approved by parliament on May 30, 1930.

It provides that, so long as the provisions of tariff item No. 1019 in schedule B to the customs tariff, permitting a 99 per cent drawback on coal used for making steel remains in effect, the government would pay to the manufacturers of iron and steel 49·5 cents per ton on bituminous coal mined in Canada and converted into coke and used by the manufacturer in the smelting in Canada of iron from ore, or into the manufacture in Canada of steel ingots and steel castings.

KIPLING, SASK., POST OFFICE

Mr. McCullough (Moose Mountain):

1. Has the government purchased property in the village of Kipling, Saskatchewan, for a new post office?

2. If so, (a) what is the location; (b) from whom was it purchased; (c) what was the purchase price?

Mr. Bourget:

1. No.

2. Answered by No. 1.

Questions

STEEP ROCK IRON MINES—RAILWAY LINE

Mr. Knowles:

1. Have there been any discussions, at any time since January 1, 1952, between representatives of Steep Rock Iron Mines Limited and the federal government concerning the possibility of a line of railway being built from Atikokan, Ontario, to the main line of the Canadian Pacific Railway? If so, when were such discussions held, and what views were expressed by the government?

2. Have there been any discussions at any time since January 1, 1952, between representatives of Steep Rock Iron Mines Limited and the Canadian National Railways concerning the possibility of a line of railway being built from Atikokan, Ontario, to the main line of the Canadian Pacific Railway? If so, have such discussions included any reference to a reduction in freight rates between Atikokan and the lakehead on the Canadian National Railways as an alternative to the building of such a line?

3. What is the present status of any proposal for the building of a line of railway from Atikokan to the main line of the Canadian Pacific Railway?

Mr. Langlois (Gaspe):

1 and 2. No.

3. Answered by Nos. 1 and 2.

PATENTS ISSUED

Mr. Murphy (Lambton West):

How many patents were issued in Canada in each of the years 1950 to 1953 inclusive, to (a) Canadian citizens and/or Canadian corporations; (b) government-owned agencies or corporations; (c) citizens and/or corporations of a foreign country, indicating the total for each country?

Mr. Pickersgill: Mr. Speaker, it would be extremely difficult to prepare an answer to part (b) of this question as there is no separate record kept in the patent office of the patents granted to government departments and agencies, and probably the only way to secure the information would be either by an examination of the individual files or by making inquiries of every department and agency. It is quite easy to answer parts (a) and (c), and perhaps the hon. member would consider whether he really requires an answer to part (b). If so, he could put the question on again. Parts (a) and (c) are answered.

Mr. Speaker: Agreed.

Mr. Pickersgill: The answers are as follows:

Fiscal year	Total patents granted	(a) Patents granted to Canadian applicants including corporations	(c) Patents granted to foreign applicants including corporations
1949-1950	8,513	1,478	7,035
1950-1951	8,461	1,389	7,072
1951-1952	9,516	1,538	7,978
1952-1953	9,700	1,393	8,307
	36,190	5,798	30,392

CHILDREN OF WAR DEAD—FEDERAL ASSISTANCE TO EDUCATION

Mr. Knight:

1. What is the number, by provinces, of children of deceased veterans granted federal aid to their education since July 1, 1953?

2. What is the monthly amount now being paid to such children in each province?

3. Have the authorities in any of the provinces protested such federal payments?

Mr. Bennett:

Return at January 18, 1954:

1. British Columbia, 36; Alberta, 18; Saskatchewan, 14; Manitoba, 26; Ontario, 115; Quebec, 26; New Brunswick, 20; Nova Scotia, 33; Prince Edward Island, 6; Newfoundland, 2.

[Mr. Bourget.]

2. $25, plus the pension to which they are entitled under section 26 (1) (b) of the Pension Act.

3. No.

QUESTION PASSED AS ORDER FOR RETURN

INCOME AND INCOME TAX

Mr. McCullough (Moose Mountain):

1. How many persons in Canada had incomes of (a) $2,000; (b) $2,500, in each of the years 1951 and 1952?

2. How many farmers, by provinces, paid income tax during each of the above mentioned years?

3. What was the total payment of income tax paid by farmers in each province during each of the years 1951 and 1952?

MOTION FOR PAPERS

POST OFFICE DEPARTMENT—CIVIL SERVICE COMMISSION REPORT

Mr. Fulton:

For a copy of the report of the civil service commission on the method of keeping records and issuing stock in the Post Office Department, made in 1950, and referred to in the report of J. D. Woods and Gordon.

Mr. Pickersgill: This document is a document which is prepared by the organization and methods branch of the civil service commission in the ordinary operation of the administration of the government for the purpose of keeping the machinery of government as efficient as possible in all the various departments. These reports are prepared often in very candid terms for the information of various senior officials of the government, and the whole purpose of preparing them would be defeated if they were made public. It is well understood that documents having to do with the internal administration of departments and agencies of government are not made public, and the government therefore will have to oppose this motion.

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

YEAS

Messrs:

Adamson
Aitken, Miss
Argue
Balcer
Barnett
Bell
Bennett, Miss (Halton)
Blackmore
Blair
Brooks
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Casselman
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Drew
Ellis
Fair
Ferguson
Fleming
Gagnon
Gillis
Green
Hahn
Hansell
Harkness
Hees
Hodgson
Holowach
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Low
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
McGregor
McLeod
Michener
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Noseworthy
Nowlan
Patterson
Pearkes
Poulin
Quelch
Regier
Small
Stanton
Thatcher
Thomas
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Yuill
Zaplitny—73.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Bennett (Gray North)
Blanchette
Boisvert
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Boucher (Restigouche-Madawaska)
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Cannon
Cardin
Carter
Cauchon
Cavers
Chevrier
Clark
Claxton
Cloutier
Conacher
Cote
Crestohl
Croll
Dechene
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
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Healy
Hellyer
Henderson
Henry
Hollingworth
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Leduc
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
McWilliam
Mang
Martin
Masse
Matheson
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Pearson
Philpott
Pickersgill
Pinard
Pommer
Pouliot
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith
Stick
Stuart (Charlotte)
Thibault
Tucker
Valois
Villeneuve
Weaver
Weselak
White (Waterloo South)
Winters
Wood—137.

Mr. Goode: I was paired with the hon. member for Medicine Hat (Mr. Wylie).

Family Allowances Act

FAMILY ALLOWANCES ACT

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

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

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

He said: I am glad to have the opportunity once again, Mr. Speaker, of moving a motion asking for a substantial increase in the family allowances. I only wish that a similar motion that I moved in this house a year ago had received the approval of the Minister of National Health and Welfare and that the government had put it into effect. The approval of such a measure would have made this resolution unnecessary.

I should like to see the family allowance increased by 60 per cent, the minimum payment increased from $5 to $8 a month, and the maximum family allowance payment increased from $8 to $13 a month. I believe sound argument can be submitted for a 60 per cent increase in the family allowance. Moreover, I believe the country can well afford it. I also believe that at this time, when we see a loss of overseas markets for food products and a rise in industrial unemployment, our home markets should be expanded. In that regard I can think of no better way of expanding the home markets than by increasing payments made under the Family Allowances Act.

Since 1944 the general cost of living, according to the consumer price index, has increased by 55 per cent. The two main components of that index, particularly as far as home-makers are concerned, are food and clothing. The food index has increased 73 per cent and the clothing index by 65 per cent. I am sure food and clothing must constitute the two main items on which family allowances are spent, and I would therefore submit that the suggestion I am making of a 60 per cent increase in the family allowance is a very moderate and reasonable one.

I would like to make it quite clear to the house that there is one thing this motion does not ask for. A year ago when a similar debate took place the hon. member for Skeena (Mr. Applewhaite) suggested that if this resolution was passed and the government changed the family allowances in accordance with the terms of the resolution it would mean that family allowance would be tied to the cost-of-living index. The resolution does not say anything of the kind.

This resolution merely asks for an adjustment now in the family allowance based upon the increase in the cost-of-living index. It would not mean, as the hon. member for Skeena suggested and as the Minister of National Health and Welfare (Mr. Martin) appeared to agree, that the family allowance cheques would be up a few cents one month and down a few cents the next as the cost of living altered. I would suggest to the minister that that is no argument against the merits of increasing the family allowance at this time.

The government has increased—and we all supported the measure—the salaries of civil servants, and recently the old age pension has been extended. In my opinion any progressive government must from time to time examine its social security measures and see if some adjustments should be made. I say that the Family Allowances Act, which was passed almost ten years ago, should now have an upward adjustment of 60 per cent in its rates.

A year from now, two years from now, or at some later date, we can then look at the new family allowance rates and see whether there should be a further change in them at that time. Certainly this motion does not advocate a varying family allowance rate from month to month, depending on changes in the cost-of-living index.

I believe that the family allowance legislation has been of real benefit to the people of Canada. The government of 1944 deserves credit for having introduced the measure, and the members in the house at that time deserve credit for having supported and having placed this valuable measure on the statute books.

The party of which the Minister of National Health and Welfare is a member has never ceased to remind the people of Canada that it was the Liberal government that brought in family allowances. That is fine, but when they are doing that I would suggest to them that they also remind the people of Canada that they are the same government that, by allowing inflation to take place in Canada, took back 40 per cent of the purchasing power of the original family allowances passed in this house in 1944. That is the government that gave family allowances to Canada; that is the government that over the last ten years has been taking the purchasing power of family allowances away from the people of Canada. All I am saying now is

that the government and parliament should restore to the family allowances their purchasing power as of 1944.

I do not think there is any argument that family allowances have been of real benefit to the mothers of Canada. It has enabled them to clothe their children more adequately, to feed them more adequately, to give them better education and better medical attention.

I believe that the greatest asset any nation can have is the children of the nation, because they will be the citizens of tomorrow. If we are to have a healthy and progressive Canada we should be taking every practical step to see that the health and the educational standards of our children are steadily improved.

There are other reasons why I believe an increase in family allowances should take place at this time. For example, I believe that an increase in family allowances would result in greater employment in the textile industry in Canada, because I am sure it would result in a greater demand for clothing. I am sure that the dairy industry, the poultry industry, and the beef producers of Canada would welcome an increase in family allowances, because it would result in an increased demand for their products.

Every time the Minister of Agriculture (Mr. Gardiner), a colleague of the Minister of National Health and Welfare, speaks of his agricultural policies, he says that one of the main planks in his agricultural policy is to see that surpluses are consumed in Canada. If that is the policy of the government, one of the best ways of seeing that it is brought about is to provide for this suggested increase in the amount paid in family allowances.

I notice that in Canada in 1946 there was 60 million cwt. of milk consumed, but that in 1951 the consumption of milk had dropped to 58,600,000 cwt. During the ten-year period from 1941 to 1951 there was an increase in the population of Canada of 18·6 per cent. I can only come to the conclusion from these figures that since 1944 there has been a drop of 10 per cent in the per capita consumption of milk. The dairy farmers do not know what to do with their surplus milk, butter and cheese. The people of Canada cannot afford to consume as much milk per capita now as they did ten years ago. So I suggest that for the health of the children of Canada, for the health of the people generally, for the benefit of the dairy industry of this country, the minister should recommend to his colleagues an increase in the amount of family allowances.

I believe that the degree of prosperity in the nation is not nearly as great as many members of parliament believe, and would have other members of parliament believe. There is a real need, in the majority of families in Canada, for increased family allowances. In the debate a year ago the Minister of National Health and Welfare pointed out that 19 per cent of the wage earners in Canada are responsible for the care and maintenance of 84 per cent of the children of Canada. The minister nods his head in agreement. Nineteen per cent of the wage earners in Canada are responsible for the care of 84 per cent of the children. If that is so, then surely we should consider a redistribution of the purchasing power in Canada so that the 19 per cent responsible for 84 per cent of the future citizens of Canada will have a better opportunity to clothe, maintain, educate and provide better medical care and so on for the children.

What is the income of the wage earners of Canada? Their wages have increased year after year, but how prosperous is the average wage earner in Canada? How high is the standard of living of the average wage earner in Canada? According to the 1951 census there were 4,085,000 wage earners in Canada. In that year 2,188,000, or 53·5 per cent, or well over half of all the wage earners in Canada in 1951, earned less than $2,000 a year. That is not a very high standard of living. In Canada in 1951 1,497,000 workers earned less than $1,500 a year. Thirty-seven per cent of all the wage earners in Canada earned less than $1,500 a year. Put these figures alongside the statistics of the minister, which were that 19 per cent of the wage earners of Canada must care for 84 per cent of the children of Canada, and I believe you have an irrefutable argument in favour of the resolution I am proposing.

I say that we must come to the assistance of the heads of families in Canada at this time, to assist them to take better care of our future citizens of Canada and we will when we realize that 19 per cent are responsible for 84 per cent of the children, and 37 per cent of the wage earners earn less than $1,500 a year.

The Minister of Fisheries (Mr. Sinclair), who in the past has been parliamentary assistant to the Minister of Finance, has pointed out on past occasions that family allowances are not an ordinary tax; that it is not in the economic sense the same type of burden on the Canadian economy as the armament program. The Minister of Fisheries (Mr. Sinclair) has pointed out that

family allowances are transfer payments, that family allowances are the transfer of income from the well-to-do to the less well-to-do. Therefore the adoption of this motion would mean that a small percentage, the well-to-do in Canada, would help to pay by this method some of the costs of rearing the future citizens of Canada.

In practical terms, as I said a year ago, all it would mean would be that perhaps a few people would make one less trip in their lifetime to Bermuda, Florida, or California but a great many children who are in need of medical attention would be able to make more visits to the doctor. It might mean the purchase of fewer mink coats but it would mean more snowsuits for children. It might mean fewer Cadillacs, but more baby carriages. It might mean a little less champagne but it would certainly mean more milk in the stomachs of the children of Canada.

I believe that this motion should be supported on all sides of the house. The Family Allowances Act of 1944 was a good measure. I contend that it was such a good measure that in 1954 its value should be restored. But that is not being done because the family allowance cheque today will buy just 40 per cent less than it bought when this act was placed on the statute books.

Hon. members may ask: Can Canada afford an increase in family allowances? In one budget speech after another the Minister of Finance (Mr. Abbott) has been telling us that the gross national product of Canada is increasing each year by four or five per cent. If this motion were put into statute form it would take just one per cent of that four or five per cent increase in the gross national product. In other words it would not in any way lower the standard of living.

First of all, it is a transfer payment. If it were actually a levy, which it is not, on the standard of living of the people of Canada it would constitute only 20 or 25 per cent of the increase for one year in the gross national product. In 1946-47 family allowance expenditures amounted to $245 million while in that year the gross national product was $12,000 million. In 1952, which is the last year for which figures are available, the cost of family allowances was $320 million but the gross national product was over $23,000 million. In other words, during that short six-year period the gross national product almost doubled.

I submit that this measure should be implemented in order that family allowances shall continue to represent a reasonable percentage of the gross national product. As compared to the gross national product, family allowances are going backward year after year. While the minister may not agree with this there are a great many Canadians who will agree that the government might be able to obtain a large part of the amount necessary to increase family allowances by squeezing out some of the inefficiency there is in government departments.

The budget for this year is well over $4,000 million. I think it is reasonable to suggest that there could be a substantial saving by more efficient methods of administration.

Our defence program, which includes the estimates of the Department of National Defence and the Department of Defence Production, totals $2,067 million. On January 19, 1953, the Minister of National Health and Welfare told us, as reported on page 1122 of *Hansard*, that in the first nine years of the operation of family allowances it had cost the Canadian treasury $2,131 million. In other words, the cost of family allowances for a nine-year period was just about the same as we are spending this year on national defence. I think that puts the amount of money necessary to provide family allowances in its proper context; it is a small percentage of the money we expend on national defence.

Mr. Boisvert: Is the hon. member opposed to national defence?

Mr. Argue: Not at all. That is not a very sensible question.

Mr. Boisvert: It is a very sensible question.

Mr. Argue: We in this group have always supported the government's defence program, as the hon. member knows. But that does not mean that we will consider the government right to the precise dollar in the amount it may bring down any time in the future for defence expenditures. I think other hon. members of the House of Commons will agree that if as a result of the lessening of tension in the world we can get a reasonable settlement with the Soviet union, if there is a new atmosphere in the world, as I believe can already be felt, then before too long consideration will have to be given to the size of our defence program. I for one hope that the time is not far distant when the defence expenditures of Canada can be reduced because of a lessening in international tension.

In a series of articles appearing in the Ottawa *Journal* Henry Shapiro, who has been a correspondent in Russia for 21 years, states, in the first two articles at any rate that have appeared to date, that in his opinion there has been a definite shift in

emphasis by the present Russian administration. He suggests at the end of his article that in the future it may be a case of competition between standards of living. He believes that the Soviet union is now turning toward increasing the standard of living of the people of that country.

If Mr. Shapiro is correct, then I submit that the government of Canada must more than ever give sympathetic consideration to all measures which will increase the standard of living and the well-being of the people of Canada. I think an increase in family allowances is one of the best ways to bring about a definite increase in the standard of living of the people of Canada.

During and after the last war the government said that it would have a plan to take care of any unemployment that might come about in the future. They said they had a program for full employment and for adequate markets. Farm income is going down today in Canada at an alarming rate and there is unemployment in many industries. The head of General Motors yesterday forecast that there will be 11 per cent fewer automobiles sold next year on this continent. I think now is the time for the government to make certain that a recession does not occur. I hope the government will not wait until unemployment reaches tremendous proportions, or until there is a further large and severe drop in the income of agriculture, before it takes action. Action should be taken now in order to prevent a recession. I suggest to the Minister of National Health and Welfare that this is one of the best ways by which this parliament could improve employment, improve markets for agriculture and assure our nation that a recession does not take place.

The minister could say, "This suggestion is fine; I am all for it; but we are going to have to add $200 million and perhaps more to the tax burden of the people of Canada". I suggest to the minister that that is an old record, one that is fairly well worn and that it does not necessarily mean a thing. When we had this discussion in the house last year on January 19 the minister raised the same objection. Here are his words which are to be found at page 1122 of *Hansard* of January 19, 1953. I shall quote a full paragraph so that I will not be taking anything out of context. This is what he said:

> The proposal put forward by my hon. friend is naturally one that captures and encourages the support of anyone who wants to see our children receive increasing opportunities. There is no one who could legitimately oppose that measure.

I might interject that the minister, shortly after he said that, moved the adjournment of the debate, a procedure which is a very good way of opposing and killing a measure like this. In any event this is what he says:

> There is no one who could legitimately oppose that measure.

Someone behind me says perhaps he then opposed it illegitimately. He continued:

> But it is one thing to propose, and then it is another thing to be able to find responsible and practicable means of carrying out that proposal.

There is the reference to responsible and practicable means of carrying out that proposal. He continued:

> And I suggest with vigour and sincerity to the hon. member who proposed this resolution that his suggestion is not practicable.

In other words, you would have to add another $200 million to the tax rolls in Canada.

One month later, to the day, the minister's colleague, the Minister of Finance, brought down his budget; and lo and behold, he reduced the taxes in Canada, mainly on the well-to-do, by an amount that would have provided a 60 per cent increase in family allowances, as well as tax reductions.

I thought the argument made by the Minister of National Health and Welfare was a fairly good one at the time, and that a member should be prepared to suggest ways and means of adding to the tax burden in order that this amount of money could be raised. But the government did not need to do that at all. All it had to do was to leave the corporation tax where it was. All the government had to do was to leave the income tax on the wealthy where it was. The government also could have left the $12 million stamp tax on cheques and could have forgone the unnecessary removal of further taxes. I therefore suggest to the Minister of National Health and Welfare that when the Minister of Finance brings down his budget for this year, there may perhaps once again be a sufficient surplus in that budget so that this necessary reform could be brought about without increasing taxes in any way. If there is not enough in any surplus there may be in the budget; if there is unemployment, and if there are surplus farm products, I say to the minister that this measure should be adopted and that the government should not add an equal tax burden, as a result of the adoption of this measure, on the backs of the people of Canada. That is the cyclical theory of financing. The government has said that it is for it, that in times of scarcity when you have a budget surplus, you reduce the national debt; and then in times of overproduction, when there are falling markets and growing unemployment, you adopt worthwhile social measures in order to take up the

slack. I suggest to the minister and to the government that the proposal I make, namely that family allowances be increased by 60 per cent, is a sensible and realistic proposal and one which would contribute to the welfare and the well-being of the people of Canada.

Mr. Solon E. Low (Peace River): Mr. Speaker, I imagine that the hon. members of this house could be forgiven if, when a motion of this kind comes before us, we indulge in a bit of history. Family allowances in Canada have been on trial now for eight years. During that time, it would appear to me, we should have learned a good deal about them. I think it is about time for somebody in the government to present to parliament a detailed report, with plenty of evidence, showing what the effect of family allowances has been upon the economy, upon the people and upon our financial system. I should like to know if a careful study of the kind that I have mentioned has been made, the kind that would make possible a really comprehensive report of the financial consequences, the moral effects and the overall economic results that accrue from this social security measure.

The fundamental principle upon which family allowances were based was a measure of stabilization of our economy through maintaining consumer purchasing power at a level high enough to prevent widespread unemployment and business recession. The procedure or technique which was originally decided upon was that of direct gifts of purchasing power by the government to ultimate consumers throughout Canada. In my judgment this was a wise procedure, because through its use the aggregate of purchasing power in the hands of Canadian consumers could be kept at a satisfactory level without creating much, if any, inflationary pressure. This result was made possible by the fact that the purchasing power was to be paid directly to consumers without having it first pass through the channels of industry, and thus enter into costs and hence push prices higher.

I recall that over twenty years ago we Social Crediters began pressing hard and consistently for the adoption of this basic principle, namely that of direct gifts of purchasing power to the Canadian consumers, in sufficient amounts to balance our economy and to induce full production and employment. At that time we were called economic idiots for even daring to suggest gifts of purchasing power for this important purpose. Imagine, we were told, gifts! Why, you destroy the moral fibre of the people and, not only that, you ruin the economy. These were the things that were thrown at us at that time. However, we were not to be dissuaded. We thought we were on the right track. We believed we were and we still believe we were. At that time we were not only called economic idiots but there were some in the Liberal party who attempted to debate with us. That day seems to have passed because I do not hear them trying it nowadays.

If the idea of direct gifts of purchasing power by the government to ultimate consumers in Canada had been employed in the thirties, Canada could very quickly have pulled out of the depression she was then in and could have avoided much of the dislocation, suffering and frustration that attended that terrible depression of the thirties. But then, of course, the idea was ridiculed, and that was the only kind of consideration that we got. We were ridiculed.

We Social Crediters were not alone in advocating gifts of purchasing power to consumers as a means of stabilizing the Canadian economy and preventing depression. In 1934 the government of the United States appointed a body of commissioners. There were amongst them economists, engineers, accountants and students of every description. I understand there were about forty of them under the chairmanship of Dr. Harold Loeb. Their purpose was to investigate the United States economy fully and to report to the government what it was that was causing the depression. In 1935 this commission, called the national survey of potential product capacity, made its report to the United States government and it was published in that year under the name of "The Chart of Plenty". I should like to refer very briefly to page 161 of that report where one finds words to which I hope hon. members will give careful attention, and I hope they will let them soak in. At page 161 there is the following:

> Since the present economic system has no means of distributing goods and services in excess of an amount which provides little more than subsistence for those possessing no property income, either the present system of rewarding labour must be discarded, or the plant and personnel must be operated at two-thirds' speed, or one-third unneeded productivity must be diverted into waging war, preparing for war, or some new large-scale speculative undertaking whose nature has not yet been envisaged. This is the dilemma of society as exposed by the study of the national survey of potential product capacity.
>
> It would seem that the simple and obvious way out, that of giving a buying power adequate to procure desired goods and services to the limit of our ability to produce them, might well be tried. It is simple in principle but has not been attempted.

I should like to emphasize what the survey committee said, "it would seem that the simple and obvious way out"—and remember they were in a depression at that time and a serious one—"that of giving a buying power adequate to procure desired goods and services to the limit of our ability to produce

them, might well be tried." But when we Social Crediters put forward the idea, an idea, by the way, which had been first promoted by Major C. H. Douglas of Scotland back in the early 1920's, we were ridiculed and were called a bunch of economic idiots.

Mr. Blackmore: The lunatic fringe.

Mr. Low: Yes, and funny money artists and all that sort of thing. However, we Social Crediters quoted the recommendations of the national survey of potential product capacity, Dr. Harold Loeb's report. We continued to argue the principle and to put it forward throughout the years in spite of the ridicule that was heaped upon us. Not only did we advocate these things on the floor of the house and invite intelligent debate on the matter, but we also attempted to educate the people of the country far and wide with respect to it. We showed the government how such gifts could be given without taxation and without creating inflation.

We were alone in advocating the principle in those days. We continued to be alone all during the hungry thirties, and everybody, including the Liberal party, called us crazy. Came 1944, and the end of the war was in sight. That meant of course that within a few months over two million soldiers, airmen, sailors and other servicemen would be thrown back into civil life and into productive effort. Of course anyone with a lick of sense could see that the productive capacity of Canada would go ahead by leaps and bounds, and that an economy that could not distribute what we were then producing certainly could not distribute successfully the increased production as well.

The judgment of the government economists at that time told them that adequate preparations would have to be made for maintaining mass purchasing power at an economic level, one that would make it possible for our people to maintain a high standard of living and to maintain in Canada a high level of production and employment. Prime Minister Mackenzie King was one of those who did not turn a deaf ear to the arguments which we Social Crediters had put forward over the years. It is quite evident that he was wise enough to recognize an important principle. Of course he was very fortunate in those days in having at his elbow the gentleman who has since become the crown prince of Newfoundland, the Secretary of State (Mr. Pickersgill). He was very fortunate because I understand that this gentleman claims that he was the one who put the idea in Mr. Mackenzie King's mind. We will not quarrel about whether or not he is the father of family allowances. We are ready to give credit to whoever deserves it.

However that may be, it is correct that Mr. Mackenzie King, facing the end of the war and some economic changes of magnitude as well as an election campaign, did need a real issue for that coming election, and he saw in the principle of these proposed gifts of purchasing power to ultimate consumers in Canada exactly the kind of issue he needed. He recognized the soundness of our contention that some method of putting purchasing power into circulation, without first having that purchasing power pass through the channels of industry, entering into costs and prices, would have to be found. So he held out to the people the hope of an increase of purchasing power through family allowances, and family allowances were introduced.

All honour to the man and his government for doing what I think was an essential job and a good job. But the method he used at that time was a method which did not succeed in increasing the aggregate of purchasing power in the country at all because he proceeded to give with one hand and take back with the other. All it did was to introduce the principle of gifts which we had advocated, but he used the socialist technique of doing it which meant a redistribution of what was already there. It was just a straight redistribution of purchasing power that was already in existence. We had been arguing the case of a need for an increase in purchasing power and we were not the only ones. We were able to support our case with incontrovertible evidence; at least no member of the government ever took issue successfully with us on it and has not to this day. The fact was that what our economy needed was an increase in purchasing power, not a redistribution of the poverty that existed.

However, the method having been decided upon, the government embarked upon it. Since that time it has never been of maximum benefit to the people of Canada, because even in times when we needed an increase in purchasing power the method of giving a direct gift of that purchasing power to the people without first taking it away from somebody was never tried. Over the years since 1945, when family allowances were introduced, through the mismanagement of the Canadian economy by the present Liberal government there has been a serious decline in the purchasing power of the Canadian dollar. This has had a most serious effect upon family allowances.

The hon. member who introduced this motion said something about that. I should like to support the figures that he gave with some figures which I have been able to collect.

Mr. Martin: Will the hon. member be correcting the figures given by the proposer of the motion, because they were not accurate?

Mr. Low: I think I shall. I obtained these figures from government publications which I feel are accurate.

Mr. Martin: Government publications are, but the hon. member was not.

Mr. Low: I do not know about that. I am not going to vouch for the accuracy of the figures the hon. member used, but I certainly will vouch for the accuracy of these, which have been checked rather carefully.

When family allowances were introduced in the year 1945-46, we find that in current dollars the average payments per child in Canada—by the way, they were paid to 3,299,000 children in that first year—amounted to $52.32. Now, between 1945-46 and 1947-48 the average per child increased from $52.32 to $70.07. The average per year in current dollars has remained approximately at $70.00. I think that it could be shown that in 1953 the average in current dollars was $70.66 per child. It was evident to me from the way the average in current dollars levelled off at about $70 per child that the government felt we needed to inject into our economy, in the hands of the ultimate purchaser, about $70 per child in order to create the results they wanted.

If that is so, let us argue from that point for just a moment. Between 1945 and 1953, the cost-of-living index was allowed to rise from 123·6 to 183·6 which meant that, with respect to the real purchasing power of the family allowances, there was a decline from the original $70 to $38.48. By 1953 this meant a decline of no less than $32.17 per child in Canada, as a consequence of the mismanagement of our economy and allowing the purchasing value of the Canadian dollar to seriously decline.

What would that mean to the children of this country? I think I have heard it said that a child needs about a quart of milk a day to sustain it in good health and well-being. I am prepared to accept that estimate. I think the minister's department has put out figures that would indicate that fact. If we accept that as a necessity for the children of this country, and if we argue that family allowances were originally given at least partly for the purpose of helping the children of Canada to live in something like a state of good health and well-being, then surely we must take a look at the effect of the reduction of the purchasing power of family allowances in supplying milk and other necessities to our children.

The fact is that by 1953 the purchasing power of the Canadian dollar had declined so seriously that every child in Canada was being denied 151-8/10 quarts of milk as a consequence of the decline in the purchasing value of the original family allowance. This amounts to almost a pint a day or half of what a child requires to maintain it in a state of health and well-being. Now, that is the effect of the mismanagement of our economy by the Liberal party during those years. When I supply those figures, Mr. Speaker, I calculate them on the basis of an average price across the country for a quart of milk in 1953 of 21·2 cents per quart. That is a serious thing, when you contemplate denying each child in the country as much as 151-8/10 quarts of milk which he could have had if we had taken the trouble to maintain the original purchasing value of the family allowances.

It is clear then, Mr. Speaker, that something will have to be done if we are going to achieve the original objective, at least so far as helping the children and the families of the country is concerned. Certainly, we ought to take steps to restore the original purchasing value of these family allowances. If $70 is considered to be necessary, then we should see that they have $70 of purchasing power. This means that something needs to be done to restore the value of our dollars. I think we should have tackled the taxation question long ago, especially the kind of taxation which enters directly into costs and has the effect of pyramiding prices. I suggest that the government should pause and consider the unemployment situation today. I am told by those in authority that in Canada today unemployment is at a higher level than we have ever had it in history, that is by numbers and not by percentages. It is becoming serious.

I say that as unemployment does become more widespread, then family allowances should be increased to take care of the distribution of surplus goods and services. Then, our people would be able to use and enjoy them and these surpluses would not clog up markets and bring on a business recession. The method of payment should be changed so as not to be simply a redistribution of the inadequate purchasing power presently in the hands of the people. There

should be a clear addition to the purchasing power so that it will fill the need, and fill it completely.

In my judgment the value of family allowances has been adequately demonstrated. There have been some abuses of course. I think the minister is wise enough and his advisers keen enough to clear these things away. I believe family allowances provide a measure of stabilization for our economy and they will go at least some distance in preventing depressions. But if they are to fulfil their purpose then we must change the method by which we handle them and see to it that they are not paid out simply as a means of redistributing the purchasing power that is already in existence, but rather to put a fair share of the purchasing power into the hands of the people. I support the resolution.

Hon. J. W. Pickersgill (Secretary of State): I had not intended to take any part in this debate, sir, and I do not intend to transgress on the main subject matter of the resolution which, I am sure, will be discussed more than adequately by the Minister of National Health and Welfare (Mr. Martin). But since the hon. gentleman who has just taken his seat has seen fit to bring my name into his remarks, or at least to bring the name of the office I occupy into the debate, and also to bring in the name of the prime minister I had the honour to serve for a good many years; and since I am by profession an historian and actually made my living at it at one time, it seemed to me it might be useful if I corrected the historical version placed on the record by the hon. member for Peace River (Mr. Low) when he said I claimed that I was the father of family allowances.

Mr. Johnston (Bow River): Don't be too modest.

Mr. Pickersgill: I made no such modest claim, sir. As a matter of fact, I heard it suggested in my presence on one or two occasions and on every one of those occasions I demurred.

Mr. Low: May I ask the Secretary of State this question. Is it not a fact that during the election campaign that statement was made in newspapers throughout Canada on a number of occasions, and did the minister deny the statement at that time?

Mr. Pickersgill: Yes, sir. I did not attempt to deny it to every newspaper that published it—

Mr. Knowles: It was the subject of many choice cartoons.

Mr. Pickersgill: Yes, several of which I treasure, and there are some others of which I would be glad to get the originals.

Mr. Martin: I have these.

Mr. Pickersgill: There was one, in fact, if I may interject a light tone, which annoyed my wife very much because it showed my colleague the Minister of National Health and Welfare about twice my height.

Mr. Knowles: Which way are you looking?

Mr. Pickersgill: On every occasion on which any allusion of this kind was made in my hearing I demurred, and it was not simply my natural modesty. I demurred because it is not true. My recollection of the course of events with respect to the enactment of family allowances in Canada is, I believe, still fairly clear and precise. As I recall it the subject first entered what may be called the field of practical politics when it was adopted as a resolution by the Liberal party at a meeting of the advisory council of the national Liberal federation in, I believe, the month of September, 1943.

Mr. Knowles: It was in our national platform in 1942.

Mr. Martin: No, it was not.

Mr. Knowles: I will send a copy of it to my hon. friend.

Mr. Martin: Your party was opposed to it.

Mr. Knowles: Nonsense.

Mr. Pickersgill: In any event, I think it is a matter of record that it was in the document which was the result of the deliberations of the advisory council of the national Liberal federation in 1943. My hon. friend who is now the Minister of National Health and Welfare, and a number of other members of the present government, were present at those meetings. I was not.

Mr. Low: You were close by.

Mr. Pickersgill: I was in the east block, yes. The hon. gentleman suggested that I put the idea into Mr. Mackenzie King's head. I can assure him I did nothing of the kind. The idea was there, it was very much there, though I will not deny that I encouraged Mr. King as much as I could to inaugurate this very important reform, and I am very happy to think that such little encouragement as I was able to give him may have been of some practical advantage. But there were a great many other people who could make the same claim. The point I wanted to make was that it was Mr. Mackenzie King himself who was the father of family allowances and no one else, and that the measure was introduced in this parliament—

Mr. Campbell: Would the hon. gentleman permit a question? Would he give any credit to Mr. J. S. Woodsworth for fathering the idea?

Mr. Pickersgill: Mr. Speaker, I am a Winnipegger and like most civilized Winnipeggers of my age I was a friend and an admirer of the late Mr. Woodsworth. I revere his memory. I believe he was a great Canadian. Though I did not agree with everything he did and I was never a political supporter of his at any time—

An hon. Member: Shame.

Mr. Pickersgill: —I do not think there is any doubt that on balance he made a constructive contribution to the public life of this country. But so, I think, did Mr. Mackenzie King.

Mr. Knowles: On balance?

Mr. Pickersgill: It seems to me it would be rather difficult, since Mr. Woodsworth unfortunately died in 1940—

Mr. Knowles: 1942.

Mr. Pickersgill: 1942. At any rate, whoever had it in his political program this subject only became active politically in 1943.

Mr. Low: 1935.

Mr. Pickersgill: It was enacted in 1944 and it came into force in 1945.

Mr. Low: It became active politically in 1935.

An hon. Member: $25 a month.

Mr. Pickersgill: My hon. friend seems to equate family allowances with social credit. I lived in western Canada in 1935, and I do not recall that the ordinary uninitiated person at that time made that kind of equation, whatever we now do in retrospect in trying to climb on bandwagons.

Mr. Low: You know all about climbing on bandwagons.

Mr. Pickersgill: I do not think there is any doubt we would not have had family allowances at the time we got them if it had not been for the action taken by Mr. Mackenzie King and the government of which he was head in bringing the bill into this house in the year 1944. That was inspired, as far as I know, by no one but Mr. Mackenzie King himself and it seemed to me only fair to his memory, since the matter was raised by the hon. member for Peace River, to have this correction made.

Mr. Knowles: Question.

Mr. C. W. Carter (Burin-Burgeo): I should like to make it quite clear that as far as I am concerned I am not personally opposed to any increase in family allowances. I think I should make that clear at the beginning. The bill to provide family allowances is a progressive social measure, and in a manner these allowances serve to share the production of a rich country among all classes of people, particularly to the benefit of those who are not so well off. We all recognize that family allowances are considered as a strong bulwark in fighting the menace of communism. Therefore there is no quarrel either with the principle of family allowances or, as far as I am concerned, with increasing the amount.

After listening to the arguments put forth I have some questions that come to my mind that I should like to put forward early in the debate so later speakers may be able to deal with them to my satisfaction. We all agree that the family allowances measure was introduced and implemented in the interest of the poorer classes. This resolution also has as its object to benefit those classes whose incomes are in the lower brackets.

The first question that has come to my mind is whether it is really in the interests of these people whom we are trying to help. We cannot consider any measure of social security, or any measure that is going to involve an expenditure of government funds, without coming up against the hard question of where the money is going to come from. The government as such certainly has no money of its own. If it is going to spend additional money it must get it from the people, and the first question that comes to my mind is this. Is it really in the interests of the people to give them something with one hand and then turn around and take it away from them again with the other hand? That is something we should examine very carefully lest we offer our people something which may turn out to be a delusion.

The second question that comes to my mind, after listening to the arguments, is this. Is there not a better method of helping these people whom we are trying to help by this resolution? We know that the main argument put forth by the proposer of this resolution was the lower purchasing power of the dollar. We have used that argument in a great many different ways. Particularly it has been used by the labour unions as an argument for higher wages. The value of the dollar goes down and therefore we must pay more dollars to compensate for it.

I was interested in an editorial that appeared in today's *Gazette* which speaks about a resolution which was adopted by the Norwegian federation of labour, in which they

resolved not to ask for any general revision of wage contracts because they have really come to the conclusion that higher wages and more purchasing power are really not in the interests of the people themselves. There is some parallel in this question of increasing family allowances, because some economists—rightly or wrongly I cannot say, because I do not pretend to be an economist—hold that measures such as family allowances are responsible for inflation, which in turn lowers the purchasing power of the dollar.

Therefore, if we are trying to help these people would it not perhaps be better to adopt a measure which would increase the purchasing power of the dollar itself rather than giving more dollars which would perhaps accentuate inflation and reduce the purchasing power still further? That is the second thought that came to my mind as I listened this afternoon, and I hope somebody will undertake to answer these questions during the debate.

In addition there are other considerations which must be taken into account. We all agree that the family allowance is a good thing. I am not saying that an increase in family allowances would not be a good thing; I am not sure yet as to whether it would be. But even assuming that it would be good, is it not possible to have too much of a good thing? Here we must pause and consider our country, this great nation of Canada, and examine whether or not we might be travelling a little too far along this road of security.

It would be a great tragedy if a country such as this did become security conscious or security minded. The greatness of the country and the great wealth that we enjoy were brought about by people who were certainly not security minded. If our forefathers, the pioneers of this country, had thought mainly in terms of security we would never have had the great country that we have today. There is a danger here which perhaps it would be well to stop and examine to make sure we might not be going too far along this road.

As the leader of the Social Credit party (Mr. Low) said just now, when we consider a measure like this we have to take into consideration its effect, not only the financial effect upon the people and upon the economy of the country as a whole, but also its effect upon the minds of the people. That is something we may well pause and consider, as to whether it is not possible to have too much security, and in concentrating too much on security we may achieve a state of mind which later on will retard the progress of this country and perhaps be an obstacle for the generations that are to come.

The other consideration that has come to my mind, Mr. Speaker, is this. May there not be a danger in removing the incentive to produce? In my province at the time of union we had a flourishing bank fishing industry. Within four years of union that industry absolutely and completely disappeared. Some people claim the reason the bank fishing industry disappeared so rapidly was the payment of family allowances. The fact that this additional income was coming to the family removed the necessity for the father, the breadwinner, going to the banks and undergoing all the hardships that are associated with that very arduous fishing industry. I do not know how much truth there is in that, but some very serious-minded people believe that if family allowances did not destroy that industry altogether, they certainly accelerated its passing.

I mention that merely as an example of what is possible if we remove the incentive to produce. Most of my constituents are people in the low income bracket, and we certainly want to help them all we can. But much as I would like to see family allowances increased, if that is the best way of doing it, on the other hand I would not want to offer them any illusion. If the same objective could be attained by increasing our production and having a larger share of our wealth divided among all the people, if it could be done by providing more encouragement to produce rather than by reducing the incentive to work, then I think we could increase our gross national product which in the final analysis is the source of all social security and of every other kind of material security.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I wish to say only a few words in support of this important resolution. I shall not go into the matters which have been discussed most thoroughly by my colleague, but there is one phase which I think is very important and to which I should like to devote a few words.

During the course of his remarks the hon. member for Assiniboia (Mr. Argue) referred to the necessity of keeping up the purchasing power in our economy in relation to the production of the country. There may be some who will question whether this is the right time to bring about these social security measures or improve them in order to keep up our purchasing power, but I notice that only as recently as January 8 a statement was made by an official of the government. I am always curious to know who these unnamed officials are. There seem to be many of them, as they are forever making statements. But they are not named; they are referred to as government spokesmen. I should like to quote from a statement made

to the press by one of these mythical characters, and I refer to a Canadian Press dispatch of January 8 as follows:

> The government is convinced that Canada's economy will continue its post-war growth this year, but its advisers have carefully mapped out means of fighting a recession if it comes.
>
> The strategy is to employ fully "built-in stabilizers", monetary and fiscal measures, public works projects, incentives to investment and even deficit financing in the drive to keep the economy buoyant, an official said Thursday.

The definition of "built-in stabilizers" is given as follows:

> "Built-in stabilizers" are such things as unemployment insurance, family allowances, and old age and veterans pensions.

That is apparently the plan of the government, as that is a statement made by advisers of the government. I am not in a position to know who are those advisers, or who that particular spokesman was. However, it was handed out as government policy. If that is the case it would appear that the government, or at least the advisers of the government, agree with the mover of this resolution that now is the time to protect the purchasing power of the people in order to avoid a recession or what might develop into a major depression.

I was pleased to see that statement in the press, but then when I read further down the column I come across this statement:

> Officials emphasized, however, that the government has "no over-all, grandiose blueprint" for fighting depression.

Of course that is a masterly understatement. Any time this government had an over-all blueprint for fighting depression would certainly be something new. But even if they are prepared to go only part of the way and protect the economy of this country by providing sufficient purchasing power to buy that which is being produced and which will be produced in such abundance, then I believe this is the most desirable means by which we can place that purchasing power in the hands of the people who need it most.

I am not going to repeat the statistics which have been placed on the record, as they speak for themselves. They do point out that a large portion of the population of this country are still living on very low incomes. The families of wage earners in the lower income groups certainly would be able to use the extra help which would be made available by means of increased family allowances.

I should like to place some emphasis on another phase of this discussion. While it is true that the group with which I am associated have been spearheading the drive for social security over the years—

[Mr. Zaplitny.]

Mr. Martin: You have supported the drive the government has initiated.

Mr. Zaplitny: I am glad the Minister of National Health and Welfare (Mr. Martin) thinks there is something to support. I would like to point out that when it comes to action there seems to be a lapse of at least 20 years between what his party proposes and what they are prepared to do. I am not going to go back 20 years at the moment.

Mr. Knowles: It is 35 years in the case of health insurance.

Mr. Zaplitny: I shall not go very far back, because a jump of 20 years might prove a shock to the minister. Reference has been made to the possibility of financing an enactment of this kind. The hon. member who just spoke indicated grave doubts in his mind as to whether the production of the country could carry this extra expense.

As has been pointed out already, the government has estimated the gross national product for 1953 to be in the neighbourhood of $24 billion. That is a tremendous increase over previous years, and certainly a large increase over the year in which family allowances were first enacted. So far as the production of the country is concerned, certainly there can be no question that we are able to support far greater measures of social security than we have had until now.

It boils down to the question of how we are going to allocate our finances. Shortly after the budget was brought down last spring I received a copy of a Liberal newsletter which apparently was produced for general distribution. I hope it was not sent out without postage. This came from the Liberal association, and they seemed to take a great deal of pleasure in the headline "Smile in Every Line of Budget". This was their sunshine budget. The newsletter stated that government revenues were slashed $361 million, nearly a million dollars a day in a full year.

I am not going to quote the newsletter in full, but as you go through it you find they refer to the fact that the stamp tax has been taken off, that there is an increased deductibility of dividends from corporations, and so forth. In most respects those measures provide relief not for those in the lower income groups but for those who were comfortably well off. By doing that the government reduced the revenue to the treasury by $361 million. That would be more than enough to double family allowance payments. It is a matter of choice. We feel that it should be the first concern of the government, whether it is in this parliament or in the provincial legislatures, to look after the general welfare

of the public. Certainly if we have to make a choice we should lean toward the public welfare.

I also want to point out that certainly candidates of the party which now occupies the government benches left the impression as late as August, 1953, that they were all-out for social security and for the improvement of our social security measures. I have in my hand the official platform of one of the candidates of the Liberal party, published by authority of the Manitoba Liberal Progressive election committee. I might point out to some of our eastern friends that out west they are Liberal Progressives. They are only Liberals here. In that platform very prominently displayed we find such words as these, "Vote Liberal for advanced social legislation". On the next page they are even a little bit critical of the party to which I belong. They say:

> Have you any time to listen to the socialist party's promises of social security measures to be enacted only if they form the next government!

And they end up by saying, "Where have the socialists spent their time?"

As I have already pointed out, we have spent a good portion of our time urging this government to go ahead with these social security measures of which they say they are in favour. If the question arises as to where we have spent our time, I will go back 20 years and see where some other people have spent their time. I have in my hand a copy of the *Canadian Liberal Monthly*. I do not know whether it is still in circulation, but this issue goes back to January of 1934. At that time, as will be recalled, a Conservative government was in power. The Liberals were attempting to point out what they would do if they replaced that government. Here is a statement made by the then leader of the opposition, Mr. King, who sets out Liberal policy in these words:

> The Liberal party recognizes that the problem of distribution has become more important than that of production, and believes that personality is more sacred than property.

That belief certainly was not reflected in this sunshine budget of 1953. I continue the quotation:

> It will devote itself to finding ways and means of effecting a fair and just distribution of wealth with increasing regard to human need, to the furtherance of social justice, and to the promotion of the common good.

Those are fine words I agree with every syllable of them. But those words were spoken on February 27, 1933, more than 20 years ago. Yet today, when a proposal is made which would carry out that philosophy, we find that in the government ranks there is reluctance to take any action.

The hon. member who just preceded me expressed some doubts as to whether social security was the best thing for the future of the people of this country. If he has any doubts may I suggest to him that he should take them up with the Liberal federation because, as late as 1948, when the present Prime Minister (Mr. St. Laurent) was chosen leader, one of the most prominently displayed resolutions passed at that convention was one which called "for the provision of adequate social security". It is one thing to talk about social security, but it seems to be another thing when it comes to the practical problem of putting it on the statute books of the country or improving it.

In view of the fact that we in Canada are now facing surpluses of a variety of goods for which we can improve the domestic market only by increasing the purchasing power of the public; and as the cost of living since 1945 has risen to the extent pointed out by the hon. member for Assiniboia (Mr. Argue), thus cancelling approximately 40 per cent of the original provision in the Family Allowances Act, in view of these two developments alone there seems to be no good reason why the members who support the government should not on this occasion rise and support this resolution.

Mr. H. P. Mang (Qu'Appelle): Mr. Speaker, may I just add a few words to what has already been said on this resolution. In doing so, I do not want to give the impression that I am against family allowances. I cannot be in that position, because it was this government and its predecessors who initiated the move for family allowances. It would therefore be extremely illogical for any member on this side of the house to speak against family allowances.

The only question is this. Are we at this time in a position financially, as a government, to make the increase that is suggested? I do not know. I am here for the first time. I am a freshman. I am in the kindergarten, you might say, of the House of Commons. I find some statements that are made here to be extremely confusing to my immature mind and little experience in this house. In this discussion there have arisen some basic questions concerned with government and economics. For instance, it is a peculiar statement to hear someone say that all this government is doing is distributing what it collects. You cannot distribute anything that you cannot collect as a government; hence

that is to me a confusing statement. I will pursue it further in the privacy of my own thinking.

As to the question of raising the allowances and the general discussion on the allowances, it has been stressed by certain hon. members that the main purpose in bringing in this legislation originally was to stabilize the purchasing power of the people of Canada by putting extra money into the homes in Canada. To my mind there has always been another consideration in connection with this matter of family allowances, namely the question of equalizing or stabilizing the family income.

I will illustrate what I mean, and then it will be clear. For instance, suppose you have a bachelor holding down a job at $200 a month and a married man holding down a job at $200 a month. Let us say that the married man has responsibilities to the extent of five children in his family. The wage is the same for the same work. I think one of the intentions with regard to family allowances was to assist that married man and bring some additional funds into that home in order to iron out the differential as between the bachelor and the family man. It would give him not a wage boost, but extra money coming into that home to the extent of $15, $20 or $25 a month. I think that is an extremely important consideration in connection with family allowances, as well as this idea of bringing more purchasing power into the hands of the general consumer in Canada, and I do not think it should be lost sight of.

As to the question of increasing the allowance, here again I meet extremely confusing statements. The same people who are battling to reduce taxation do not want to see an increase in the postage rates, and they want us to remove the 3 per cent floor on medical expenses in the income tax structure. I suppose both these ideas are all right, but the same people who are asking for an increase in the expenditure of money are the people who, defending the taxpayer in holy righteousness, are asking us to reduce taxation. As I say, my immature mind just cannot grasp that, and I go on record as saying that the reconciliation of these two attitudes is very confusing to a new member of the house when such suggestions come from people who have been here a long time.

I am willing to learn and I hope to learn, but so far as this whole matter of increasing services and decreasing taxation is concerned I believe there is some loose thinking going on somewhere. I do not know where it is, but it is somewhere.

[Mr. Mang.]

Mr. Argue: We can hear it.

Mr. Noseworthy: You had better move over to the right side.

Mr. Mang: I am on the right side.

Mr. Argue: If he moved over he would be out.

Mr. Mang: I am on the right side.

Mr. Noseworthy: Still wrong.

Mr. Knowles: You are at the extreme right.

Mr. Mang: What I am getting at is that there are people in this country who are telling the public that we can distribute something we do not have, that they can ask for more services without paying more taxes, and all that sort of thing. As I say, to my mind there is some loose thinking somewhere.

An hon. Member: That is where it is.

Mr. Mang: Let me start with what I believe is the foundation of all our thinking in this house. I look at the whole economy of the country in this light. In the early days of Canada there were no people here at all.

Mr. Noseworthy: No Liberals.

Mr. Mang: All there was in the country was that with which nature had endowed us, iron ore in Quebec, fish in the sea, forests, lakes, rivers, and vast plains in western Canada. These are the things that nature gave us. I am trying to get to the bottom of the economics of the situation, and I am using some little economic blocks, if you like, to build this house. Then you can knock it down and start all over again.

An hon. Member: Don't talk about building houses.

Mr. Mang: What applies to this country applies everywhere. Then people came to Canada, but all the things nature had left us were of no value to anybody except to look at.

Mr. MacInnis: Until labour was supplied.

Mr. Mang: The fish are not good for anything other than to look at until someone from Newfoundland catches and prepares them for use. The same thing is true of our forests. They are not worth anything other than to look at until someone with ambition, drive, imagination and vision chops down the trees and makes logs out of them or saws them into lumber, thus making the forests usable. The same is true of all our gifts from nature. By making the things that nature left us usable, call them natural resources if you like, you create wealth, and

that is the only way you can create wealth. By people applying their brains, brawn, initiative and imagination to the job of turning natural resources into usable things you create wealth. You do not do that for anybody else. You do it for yourself.

Mr. MacInnis: There is one way of creating wealth but there are several ways of accumulating it.

Mr. Mang: That is the only way you can create wealth, and that is what we mean by applying private initiative to our natural resources to create the wealth we have. We have many individuals who are making usable things. In the west they grow grain, in the east they manufacture, and the people of Newfoundland and Nova Scotia catch fish, as is also done off the shore of British Columbia. By this process you create wealth. What happens?

Mr. Noseworthy: Who gets it?

Mr. Johnston (Bow River): Somebody takes it away from you in taxes.

Mr. Mang: All right, just hold your horses.

Mr. Knowles: It is you fellows who have the horses.

Mr. Pickersgill: They are not there.

Mr. Mang: The responsibility of governments enters into the picture after a country is developed. Let me put it this way. This is not a prepared speech, and hon. members will pardon me. I am a beginner but I am trying to get an idea across. Where does the wealth come from that we are trying to distribute so equitably?

Mr. Noseworthy: Tell us where it goes.

Mr. Mang: Yes, I will.

Mr. MacInnis: Tell us who has it.

Mr. Mang: In this process we do work as individuals, and as the country develops we find that we need certain public services. For instance, we have to build a road. We as individuals cannot build it, so we get together with our neighbours and build the road. Each family cannot hire its own teacher for its children, so we get together, form a school district and provide ourselves with that public service. It is the same all down the line.

Mr. Noseworthy: Right down to family allowances.

Mr. Mang: It is the duty of government to perform this function. It is the fundamental duty of any government to do those things for the people which they cannot do for themselves.

Some hon. Members: Hear, hear.

Mr. MacInnis: Good C.C.F. philosophy.

Mr. Mang: Having created this wealth as individuals, what do we do? We take some off the top, throw it into the pot and build a school. We take some more and build a road. We take some more to provide other services for ourselves. We take some more out of our wages, or from the sale of our wheat or whatever it is, throw it into the pot and give ourselves pensions at 70 and family allowances. We retain the rest.

I maintain that these social services can only grow and expand to the extent that individuals within the nation are prepared to put something in the pot to be redistributed. You cannot create something out of nothing merely by putting some little monetary gadget of interest-free money into the hands of our treasury department or the Minister of Finance. It is only brains, brawn, vision and ambition that create the wealth that some people are asking us to distribute in the form of social services.

I maintain that we reach a point in our economy where the individual is no longer prepared to put more into the pot for general distribution to all. It has been the policy of the Liberal government to gauge what our people are willing to put into the pot, and increased social services are brought about having in mind not only what people can pay to the treasury but also, which is just as important, what people are prepared to pay.

There is a point in taxation beyond which you cannot go because two factors enter into the picture. One is ability to pay and the other is desire to pay. The second is as important as the first. This government has always followed the policy of trying to gauge and time advances in social services with these two things in mind, ability to pay and desire to pay. It is only upon that bedrock or elementary basis that you can increase those family allowances which have been introduced and maintained by a Liberal administration, and will be expanded when the proper time comes.

I hope hon. members will forgive me for not having all my thoughts in sequence. I had not expected to say anything at this time. You will pardon me for being in the kindergarten. The people did not elect me before, so it is not my fault. I am willing to learn. If anyone in this house can show me how you can distribute something which you do not have or do not know where to get, I am willing to learn. If people here are prepared

to show me that by substituting these monetary gadgets of interest-free money or substituting in our economy the idea of having the state own and control the mediums of production, distribution and exchange, and thereby create a higher standard of living, create more wealth and power, then I am prepared to learn. So far I am only at the kindergarten stage, where I sincerely believe that the only way you can create wealth is by the individual applying his brains, his brawn and his vision and ambition to those things with which nature endowed us. Those things are then distributed by means of those green tickets that we call money.

Until the proper time comes when the people are willing, as I said before, to pay more taxes—I should not call them by that ugly word, but I should say willing to put more of their things into the pot—and have the ability to pay, I do not think we should call for an increase in family allowances as requested in this resolution.

Hon. Paul Martin (Minister of National Health and Welfare): When the member for Assiniboia (Mr. Argue) introduced this resolution in the last parliament, Mr. Speaker, he spent, as I think you will remember, some time in defining the authorship of family allowances. Other members in his group in supporting his motion claimed greater authorship for the measure than any other political group in this house.

I could not help but note with great interest today, when the hon. member introduced the resolution we are now discussing, that he was generous enough to pay credit to the government of the day for having introduced this important social measure. He went on, quite properly, to pay tribute to the members in this house who supported the measure which was proposed in the first instance by the government of the day headed by the Right Hon. William Lyon Mackenzie King. I am glad the Secretary of State (Mr. Pickersgill) took occasion, on invitation by an hon. member opposite, to place on record the undoubted fact that authorship of family allowances in Canada must be credited to that statesman who, more than any other up until the time of his death, had done so much to promote the social welfare of this country.

The resolution which we are debating is an important one. It affords us an opportunity of assessing the value of family allowances, a measure that is costing this country a considerable sum of money and which, at least once in every session, should bear examination at the hands of this house. Not one of those who have opposed the resolution can be accused of being opposed to the principle of family allowances. Certainly no one on this side of the house who finds reason to make a reservation in respect to the resolution as offered can be accused of being opposed to family allowances.

Mr. Noseworthy: Some of them came rather close to it.

Mr. Martin: The hon. member says that some of them came rather close to it, but coming rather close to it does not mean that anyone has opposed family allowances in this debate. As one who is responsible for the administration of family allowances for the time being, I cannot help but feel some encouragement in noting the wide measure of support that exists for family allowances from one end of this country to the other. The only people who now oppose family allowances no longer form the bastions of privilege in the Tory party, because that party is now in support of this measure. In fact in this house the only real opposition I have noted to family allowances comes from what I might call the Tory wing of the socialist party, sometimes more properly called the Moosejavian splinter.

I am happy, therefore, that in discussing this measure today I do so with a background of general support from practically every member in this house for the principle. In order to appreciate the value of family allowances one must understand the relationship of family allowances to social welfare measures generally. As the hon. member who has just spoken said at the conclusion of his remarks, we on this side of the house do not look upon the present totality of social measures as by any means representing all that we propose to do, as a party and as a government, to improve the social welfare of the people of Canada.

Mr. Noseworthy: If you stay in power long enough.

Mr. Martin: If we stay in power long enough, and I have not any doubt we shall, this country will reap increasing benefits from increasing and new measures of social welfare yet to be introduced in parliament.

It is also very important for this house, if proper appreciation is to be had of this measure, to know something of the cost involved. The hon. member for Winnipeg North Centre (Mr. Knowles) suggested that during the course of this session he was going to push and prod me on every occasion—and he has resorted to almost every occasion—to try to get me to pronounce the government's policy concerning health insurance.

Mr. Knowles: How about it?

Mr. Martin: The other day someone spoke of the desirability of lowering the age limit for old age pensions, and someone else mentioned the desirability of increasing old age pensions. I believe no one should hope by these ventures into imaginative processes to fool themselves, this parliament or the people of Canada on one thing, and that is that health insurance, improved old age security benefits and other social measures can be brought about—

Mr. Stewart (Winnipeg North): At an election.

Mr. Martin: —only when the nation can afford them.

Mr. Knowles: And it can.

Mr. Martin: No one is going to do social security much good by taking a course that is anything but realistic. The hon. member for Winnipeg North (Mr. Stewart) just said we only introduce these measures when we are faced with an election. The hon. member knows that is not the case.

Mr. Stewart (Winnipeg North): I know the Liberal party.

Mr. Martin: Family allowances were introduced in 1944, and elections took place in 1945.

Some hon. Members: Hear, hear.

Mr. Martin: We are now in the first session of the present parliament, within a few months of a general election, and this government is not waiting until the year before a general election to bring in a dominion-wide system of disability allowances. On Monday and Tuesday next I will be sitting in a room in this building conferring with the ten provincial governments on the proposal of the federal government to bring about a system of disability allowances. I am sure I will never hear from any of the members opposite, directly opposite, any word of commendation for having brought in such a measure in the first session of parliament immediately after a general election. In spite of what I have just said, hon. gentlemen will go from one end of this country to another and say that the only time the government brings in any social security measure is when it is faced with the prospect of a general election. Here is one instance at any rate, among many others I could recite, where that is not the case.

This measure, introduced without prodding or urging by a government headed by Mr. Mackenzie King, has resulted in the payment of over $2,480 million since the inauguration of family allowance payments. That is up to December 31 last year. Every month $29,370,000 flows into the homes of 2,080,000 families on behalf of 4,860,000 children. I need not emphasize to the house what this means in terms of improved social benefits and security for these children and these families.

As I said on a previous occasion, roughly 19 per cent of the working population of Canada is responsible for the maintenance of 84 per cent of the children of Canada, and the value and validity of this measure has to be determined by that important fact, which was outlined again today by the hon. member for Assiniboia (Mr. Argue).

So I do not propose in what I have to say today to justify family allowances. I take it, but for the splinter group I have mentioned, we are all in favour of this particular measure. We recognize what it does by way of providing better food, shelter, clothing, health care and education for the children of our country.

Mr. Argue: The hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) will vote for this if he gets a chance.

Mr. Martin: It is also interesting to note that by the time a child reaches the age of 16, the average amount paid out in respect of that child through family allowances represents about $1,188. No one, particularly those who support this motion, should take the position that because of the increase in the cost of living, which has varied since the end of the war in this and in every other country, the contribution made by family allowances is not a significant one.

It is no wonder, then, that this measure has been referred to by no less a figure than the President of the United States during the course of the presidential election last year as the most significant piece of social legislation introduced in any country of the western world in the last 50 years. If this measure, which is costing us now over $350 million a year, were established in the United States it would represent an expenditure in that country of over three and a half billion dollars. So let no one say that this measure with its present proportions does not represent a very significant contribution to the problem of welfare and social security in our country.

It is all very well to suggest that this amount should be increased when no responsibility is reposed on the proposer for finding the wherewithal, the necessary resources to make this possible. It is all very well to say "Let us have health insurance, improved old age security, and increased family allowances," without giving one bit of evidence of appreciation of what the total cost would be

by way of increasing the tax burden on the people, particularly when the majority of the people of this country who pay taxes are the people who themselves come within the embrace of family allowances.

It is all very well to suggest that this measure would cost only $170 to $190 million, which is estimated to be the cost of the proposal now before the house; and it is all very well to say that is not much money. That represents a great deal of money, and if that amount were added to the cost of the proposals that have been made in this house thus far one will realize how justified I was last year and how justified I am this year in saying that the proposal lacks any serious practical quality at this time in the light of existing obligations and in the light of trying to do something further in developing other fields of social welfare for the future.

We have some yardstick by which we can compare our position with that of Australia, the United Kingdom and New Zealand. They have family allowances and their schemes, while not in most cases as generous in terms of the individual amount given to a child, are nevertheless in principle comparable with ours and justify the kind of comparison I am now about to make.

The total amount spent on family allowances in Canada is greater than the total amount spent on family allowances in Australia, New Zealand and Great Britain on the basis of the figures for 1952-53. What about the percentage of national income spent on family allowances in these three countries? We are spending more by way of percentage of net national income on family allowances than Australia and Great Britain, and we are only slightly behind New Zealand. But, with regard to New Zealand, the total amount given to a child in Canada in the course of a year is greater, and the purchasing power in relation to the cost of living on the basis of the figures I have for the past six months is certainly to our advantage in Canada.

In Canada the percentage of net national income spent on family allowances for 1952-53 is 1·84 per cent; in Australia it is 1·50 per cent; in Great Britain it is ·71 per cent; and in New Zealand it is 2·61 per cent.

Another basis of comparison is the relation of family allowances to other social security expenditures. In Canada family allowances represent 25·5 per cent of all social security expenditures. That is a larger proportion than in the case of Australia where it is 23·3 per cent, and in New Zealand where it is 22·5 per cent, and in Great Britain where it is 4·5 per cent. These calculations are based upon the figures for 1951-52.

[Mr. Martin.]

When hon. gentlemen criticize the government because of the attitude which, I believe realistically, it is taking with regard to this particular measure, they should bear in mind that we have in support of the attitude we take the policies of governments in comparable countries and of governments made up of political parties who do not always share our political views. Perhaps the reason they have been actuated in the policies thus developed is that like ourselves they have other commitments and they conceivably have other social welfare projects in mind, as we have, which we shall bring in at the appropriate time, in the light of what the government conceives to be the obligations of the people of Canada at that moment.

In the estimates of my department for 1954-55, to be presented, we are appropriating or estimating $348 million for family allowances. Therefore it is against that background that we must consider the resolution now before us. The sum of $348 million represents a substantial amount of money. Compare that with the total cost of government on the federal level before 1938, and you will have some appreciation of the significance of the measure.

In 1946 the total annual cost of family allowances was $240 million. That represented at that time 2·68 per cent of disposable personal income of Canadians. My hon. friend spoke a while ago of the tremendous increase in the cost of living, and what a great reduction had taken place in the value of family allowance because of this increase in the cost of living. I have just given the figures for 1946 in relation to the disposable personal income, which I said was 2·68 per cent. In 1952, when we spent $330 million in family allowances, the figure represented 2·09 per cent of disposable personal income in Canada. It is therefore clear that family allowances, as a component of disposable personal income, have not declined to anything like the extent suggested by the proposer of this resolution when he spoke earlier today.

Mr. Argue: The value of the individual cheque has gone down 40 per cent; that was my statement.

Mr. Martin: When my hon. friend looks at the statistics he will find that that is not the case.

Mr. Argue: For food it is up 73 per cent.

Mr. Martin: If my hon. friend will choose to read what I have just said, and compare it with what he has just said, he will find that my figures are more satisfactory and more germane to the issue than the very generous oratorical luxury which he allowed himself this afternoon.

We must keep in mind three important points in connection with this measure. Family allowances were never intended to cover the complete cost of child maintenance. No social benefit can ever hope to do that. All we can provide is assistance toward maintenance in one way or another, and family allowances are no different in that particular from any other social welfare measure. But it is important to note, secondly, that without any increase family allowances, in this fiscal year costing some $348 million, represent an additional increase over last year of some $18 million.

What is proposed in the resolution before us? It is proposed in the language of the hon. member for Assiniboia that we should increase family allowance expenditures by 60 per cent. I say to him that if he carefully examines all the implications of what he proposes I do not believe that he will seriously renew this resolution in the form in which it has been presented.

Mr. Argue: Next session.

Mr. Martin: My hon. friend says "next session". I am sure that before I finish he will feel that it would have been better to give second thought to this measure than to adopt precisely the words he used in the resolution last year.

If we were to accept this proposal, instead of estimating for an expenditure of $348 million I would be asking this house to approve $500 million for family allowances alone. By proposing an increase of some $170 million a year, as the hon. gentleman has done today, in family allowances, already our largest single item of expenditure in the social welfare field, my hon. friend is doing more than has yet been done this session to jeopardize the possibility of advances in other important fields of social welfare and health.

On reflection I am sure my hon. friend will realize that what I am saying as the responsible minister is really representative of the situation in its entirety. This session we are going to embark upon a system of disability allowances, and no hon. gentleman opposite has yet commended the government for the initiative it has taken, in co-operation with the provinces, in providing for a system of disability allowances. My hon. friend smiles. I suppose he smiles because I have suggested that no one opposite has commended the government.

Mr. Knowles: We are trying to get you to smile.

Mr. Martin: I do not have much difficulty in smiling because I have the advantage of looking at hon. gentlemen opposite. I do say that the measure which we are going to discuss with the provinces on Monday is an important one.

Would it have been possible to bring in disability allowances if last year, for instance, we had accepted the proposals of the hon. member for Winnipeg North Centre and various other members, proposals which in their entirety totalled over $1,500 million? Would it have been possible to bring in a system of disability allowances if we spent all our money on one branch of social welfare? Is there any responsible member in this house who, in the light of our defence obligations of over $2 billion, and our other obligations, would seriously propose that there is merit in the suggestion now made by the hon. member for Assiniboia?

Mr. Knowles: That is the point, billions for defence, but—

Mr. Martin: We on this side of the house will take second place to no one in our zeal to do what we can to help those groups in our country who need social welfare assistance. I do not say that we have a monopoly in that, any more than I agree for one minute that the hon. member for Winnipeg North Centre has, who says he prods me and will prod me until the last day of my political life.

Mr. Knowles: Hear, hear.

Mr. Martin: I do not for one moment say that he has a monopoly. Every hon. member is sincerely interested in doing something to improve the lot of those who need the benefit of social security measures.

Mr. Knowles: I would be glad to see the minister introduce health insurance.

Mr. Martin: We could not do more on that particular item, or on a proposal put forward at a particular moment, but let us take the position that all of us are interested in these measures.

We are spending in Canada this year $1,650 million on social security. Of that amount $1,200 million is provided by the federal parliament; $350 million represents expenditures made by the provinces, and the municipalities are responsible for roughly $100 million, making a total of, as I say, $1,650 million.

Mr. Knowles: Without giving a breakdown, would the minister give the categories of social benefits that are included in that figure that is paid by the federal government?

Mr. Martin: Yes; family allowances, $348 million; old age security, $345 million; old age assistance, $22 million; allowances for

the blind, $3 million; national health program, $30 million—these are only estimated expenditures—Indian health services, $16 million, representing in national health and welfare alone, $765 million. Veterans affairs: pensions, $128 million; war veterans allowances, $26 million; treatment and prosthetic services, $45 million, making an estimated expenditure on veterans affairs of $199 million. In the case of the Department of Labour, unemployment insurance benefits totalled $135 million. These are the principal items.

I say that this government need not ask anyone to believe in its declaration of faith in family allowances. Family allowances were introduced by the Liberal party made up of many hon. members on this side of the house who were then in the house, and it was supported by many hon. members sitting opposite. But it was initiated by a Liberal government. If my hon. friend will look over the debates in *Hansard* over the years he will find that it was private Liberal members of parliament who proposed in the first place that there should be adopted in Canada a system of family allowances. So no one should take the position that because we are now taking issue with the particular resolution we are not in favour of family allowances.

I read some of the speeches made by certain hon. members during the last election. When talking about family allowances they referred to this callous, this careless government, the government that is not concerned about the welfare of the people, the government that opposed family allowances when they wanted to give $170 million more to the children of Canada.

An hon. Member: Who said that?

Mr. Martin: I read that several members—

An hon. Member: Name one.

Mr. Martin: I am prepared to name them, but I want to deal with something more constructive at the moment. That is what will be said again. Hon. members will leave this chamber and will say that the government is not interested in the children of this country. It will be suggested that a motion was brought in proposing an increase in family allowances and the Minister of National Health and Welfare, that hardhearted man, the spokesman for the government of Canada, said, "no". No reference will be made to the fact that the act was brought in by the present government. No reference will be made to the fact that old age pensions were introduced in this house by a Liberal government.

Mr. MacInnis: Under pressure.

Mr. Martin: My hon. friend says "under prodding", but I do not know what he means exactly.

Mr. MacInnis: Under pressure, I said.

Mr. Martin: The hon. member says "under pressure." I do not think that is really the proper phrase. I will not deny that a distinguished member of this house, a former leader of the C.C.F., played a great part in the development of social welfare in Canada. I would be the first to join in paying deserved tribute to a great Canadian statesman. But by the same token I should like to see hon. gentlemen opposite recognize the great part played in the development of social welfare by Mackenzie King. I have never heard but one hon. gentleman opposite acknowledge the contribution made by Mackenzie King, made by the present Prime Minister (Mr. St. Laurent), made by the government in the development of this program.

It was a Liberal government that brought in the veterans' charter. It was a Liberal government that brought in pensions for the blind. It will be a Liberal government that will bring in assistance for certain disabled people in our country. It was a Liberal government that brought in unemployment insurance. It was a Liberal government that brought in a national health program. Every bit of social legislation on the statute books of our country on federal account was placed there by a Liberal government.

Mr. Knight: Is it not likely that whatever government might have been in power in this country during the last 20 years would have done the same thing?

Mr. Martin: I am not speaking about a hypothetical situation so remote from reality as that proposed by the hon. member. I will say that perhaps I am sensitive on the point, but I do find it difficult sometimes to appreciate some of the speeches that are made outside of this house by certain members.

Mr. Knowles: What about speeches inside the house?

Mr. Martin: I must say that I am sensitive about some of the speeches made in this house by certain members.

Mr. Knowles: Particularly when we refer to the 1919 Liberal commitment on health insurance.

Mr. Martin: Having pointed out clearly the authorship of these measures, I do not want to belittle in any way the contribution that has been made over the years by so many members of parliament and by all

political groups, particularly by certain members who are now in the house. I remember a speech made by the hon. member for Vancouver-Kingsway (Mr. MacInnis) and I recall his words. Even though one cannot always agree with him one can always find occasion to respect what he says. I remember him talking about a particular measure and saying that we must not fool the people of Canada, we must let them realize that these desirable measures can be provided only out of the hard work of the masses of the people.

I have never forgotten the effect his statement had in that particular debate. We must not forget those words today. We must not for the purpose of political jockeying, even early in a session or in a parliament, put forward proposals for which, because of their very relationship in the context of the times, no reasonable man would conclude there was any hope of adoption or acceptance.

There are some who criticize the government because it does too much in this field. All one has to do is to pick up the editorial pages of newspapers of this country. This government was once referred to by the Leader of the Opposition (Mr. Drew) as a government made up of men who give service to socialism in a silk hat. It has been said that we are proponents of the welfare state.

Then there are others who say that we do not do enough. I think it may be said that sometimes we are overly cautious. I think it can be properly said that sometimes we perhaps balance things a little too carefully. But that is the Canadian way of doing things. We believe in a responsible course, a responsible middle-way, standing in between extreme proposals, standing in between what those who are against doing too much and those who want more have to propose.

We do not believe in the welfare state in the sense in which that term is used by some people who criticize what we are doing. It is said that we are trying to create a welfare state. If by welfare state is meant something by which the state is trying to acquire more power, by which it is trying to impose exclusive paternalism, we certainly do not believe in that kind of society. We believe in the welfare state where emphasis is on welfare and not on the state. That is the idea that has characterized all we have done.

In taking the position I have taken today I do so with the knowledge that at the present time this nation has great responsibilities beyond the confines of this land in our efforts to preserve the peace of the world. That is a very important obligation. In spite of that we are gradually, in a responsible way, increasing various measures of social welfare in which we believe. We have not stopped. We are firmly convinced that additional steps will be taken by us in the light of our responsible consideration of the situation in which we find ourselves along with many other nations of the world.

With all that I am sure hon. members, whether they sit on this or the other side, cannot help but conclude that the course we are taking is in the interests of this great nation.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I did not intend to take part in this debate, but because of some of the things that have been said and some of the arguments that have been made I think possibly there are a few words that can be said with beneficial results.

I do not believe we should look only at what has been done with regard to social welfare in this country, but rather that we should also look at the circumstances in which it was done. I have been here for quite a long time. I came here first in the 1930's. In fact I came here in 1930, when conditions in this country were very bad. I came here at the time of the election of the last Conservative government we had, under the leadership of the late Right Hon. R. B. Bennett. Although that was a time of peace, not only in this country here but generally all over the world, we were confronted with the fact that nothing could be done to improve the lot of the common people of this country.

During the last election I was interested to hear speakers for the Liberal party assert that they were seeking election on the party's record. I was intrigued to notice that in referring to that record they never said anything about their years in office between 1935 and 1940. It was only the years after 1940 to which they referred. There is a good reason for that omission, because they were no more able to do anything in the years between 1935 and 1940 than were the Conservative party from 1930 to 1935.

Mr. Brooks: And before 1930, what did they do?

Mr. MacInnis: I am not going to get into a discussion of that matter. That was a little bit before my time. But before I go on and say something further in that connection, may I say that I have here in my hand a copy of *Maclean's* magazine for August 1, 1953. In that issue of this magazine was an article

by four Canadians. Its title was "How I'm going to vote". Hugh MacLennan of Montreal spoke for the Liberal party; Scott Young spoke for the Conservatives; I believe Lister Sinclair spoke for the C.C.F. and Bob Bowman for the Social Credit party. I am going to read a short quotation from Hugh MacLennan's article because here is a Liberal speaking for the Liberal party. He is a reluctant Liberal, as he himself says; and I do not blame him for that because there is every reason why a person could be a Liberal but not a very enthusiastic one. Underneath Mr. MacLennan's picture are these words:

> Reluctant Liberal Hugh MacLennan lives in Montreal where he is working on his fifth novel. He also lectures in English at McGill University.

Indicating whom he would vote for in the election of last August, this in part is what Mr. Hugh MacLennan had to say. I am quoting it because it indicates whence has come the pressure for social services and other beneficial measures in this country. I am also quoting it, of course, because it is from a Liberal and for that reason could not be far wrong. This is what he says:

> As I live in the province of Quebec, it is pointless even to consider the claims of Social Credit. They will run no candidate in my riding. Nor is the C.C.F. likely to do so either. In any case the C.C.F. is in the position of a man whose store has been robbed, and robbed consistently, for more than ten years.

As the lawyers would say, the key word in the sentence is "more", "more than ten years". For how many more years than ten, Mr. MacLennan did not say; but he said that C.C.F. policy has been stolen by somebody for more than ten years. He does not leave us in the dark as to who was doing the pilfering. He says this:

> The Liberals have lifted so much of Mr. Coldwell's stock and sold it under their own trade-mark that he has been left with little of his own that would tempt me to buy.

I am not at all aggrieved at the Liberals for stealing from the C.C.F. because it indicates that the C.C.F. had something worth stealing. They could not very well steal from any of the other parties because the other parties did not have anything worth stealing; and the reason the Liberals stole from the C.C.F. is that they did not have anything worth while in their own program. I think that answers, and from the horse's mouth, as we might say—and a Liberal horse's mouth at that—the question as to who was making the drive for social security in this country for more than ten years.

I come back to the point I made a little while ago, namely that the Liberals did not say anything about the five years they were in office from 1935 to 1940. I contend that they did not say anything about their record in those years because they did not accomplish anything; and they could not accomplish anything until war came. With the exception of the old age pension that came in 1927, all our social security services and all the improvements that have come since then have come when the country was at war, or when the country was preparing to defend itself in a future war, or when the country was repairing the devastation of war.

Mr. Hahn: Will the hon. member entertain a question?

Mr. MacInnis: I would rather not, because my time is short. It is with regret that I refuse to answer the question my hon. friend wishes to ask, but I do not want to talk this motion out. I want to leave time for a vote if a vote is desired.

I have pointed out that all the improvements in our social services came under these conditions to which I referred. When did the family allowances come? As my hon. friend pointed out a while ago they came in 1944, when more than half the revenue, the labour and the resources of this country were going into the war. Then when we got old age security, in 1952, again half the revenue of the country was going into preparing for defence and for the war in Korea.

Mr. Martin: I do not want to interrupt my hon. friend, but between 1935 and 1940 he forgets pensions for the blind and he also forgets housing legislation.

Mr. MacInnis: Oh, there was nothing in housing legislation since 1935; and the mere bagatelle that went for pensions for the blind is hardly worth mentioning.

Mr. Martin: But my hon. friend said nothing was done.

Mr. MacInnis: My friend realized that so little was done that he did not say anything about it himself. I am saying now that nothing was done and that the need was terrific. What I want to say now is that if we had not had the misfortune, or the good fortune, to have a war, to be repairing the devastation of that war and to be preparing to defend ourselves in another war, it is doubtful whether to this day we would have any social legislation. That is the record of the Liberal party.

We are coming now to the time when we may have no war on our hands, when we will not be preparing to defend ourselves in another war, and when we will not be repairing the devastation of war. The number of unemployed is increasing now. It is

greater today than at any time since the Korean trouble started in 1950. There is nothing in the past record of the government to indicate that they have any policy for full employment except in times when great expenditures have to be made in non-constructive and non-profitable ways, such as war purposes.

I suggest that the time has arrived when we should be preparing to put more money and more of the resources of the country into social welfare projects, a time when our energies are not being used up in costly non-productive ways. I hear people refer to how much social services are costing the country. Is it a cost to the country that the people are fed, clothed and sheltered through the labour of the people themselves? The hon. member for Qu'Appelle (Mr. Mang) pointed out today how wealth was created by applying labour to the natural resources of the country. As he should know, that is the only way by which wealth can be produced, but there are many ways in which wealth can be appropriated. It is up to us to see that our wealth is appropriated and kept for those who produce it and not allowed to get into the hands of those who cannot use it for productive purposes and will not allow it to be used for the welfare of the people of the country.

As I see it, there is no other reason why people should live or attempt to live except to give themselves the best standard of living that their labour and the resources of the country can provide. In this country at the present time, as was pointed out in an editorial that I read the other day, there are hundreds of people who have not enough to eat. There are hundreds of people who have none of the comforts and the few luxuries that make life worth living. If the wealth of the country cannot be used to make life better for these people, to what use can it be put?

We are coming to the stage when tensions in international affairs are lessening and when production for the wasteful purposes of war will no longer be necessary, and there is a responsibility confronting whoever may form the government of the country to see that our productive forces are kept busy providing not only subsistence but good living for every member of the community.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to say a brief word. When I spoke about the social legislation of the Liberal party during the last election campaign the government was accused of doing too much and killing the initiative of Canadians. I think there is something in that. I do not agree with my hon. friend that the government did nothing from 1935 to 1940. The first thing we did was to close the relief camps, and as far as those that were kept open are concerned, the people were paid.

An hon. Member: Fifty cents a day.

Mr. McIvor: They were paid wages. The people who came out of these camps were given emergency work on the C.N.R. and the C.P.R. That may not be considered much, but it was a lot of help to Fort William.

I was going to ask the minister this question. What is the outstanding need for this provision? Are children today not getting enough food? Are they not getting enough clothes? Have they not enough bicycles? Do they not attend picture shows often enough? What is the outstanding need? I think the minister emphasized a very important point when he said there is more urgent legislation ahead of any suggestion such as this. Those are not his words, but that is his meaning. If you compare this suggestion with national health insurance there is no comparison at all, and I cannot support the resolution.

I am strongly in favour of family allowances and would not agree to any reduction in the amount, but I do not see that the children of today have any outstanding need. I go to a school in Fort William or Port Arthur and what do I see? I see hundreds of bicycles. I see children who are well clothed. If you go to a picture show it is packed with children. Show me the outstanding need.

Mr. H. R. Argue (Assiniboia): Mr. Speaker—

Mr. Speaker: If the hon. member speaks now he will close the debate.

(Translation):

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): Mr. Speaker, it is always a very satisfying experience for a Liberal to speak about social security. Bearing in mind what the Liberal party has accomplished in this field in the last 25 or 30 years, it is always easy to speak about this matter pleasantly and calmly.

Long before the birth of the Canadian socialist party there were, in the ranks of the Liberal party, men who were thinking about the development of social security in this country. It is with great pleasure that I refer to the Right Hon. William Lyon Mackenzie King who, as early as 1900, was giving serious thought to social questions in Canada, and founded our first Department of Labour.

In 1917, long before the appearance of the socialist party in this country, Mr. Mackenzie

King wrote a book which has, I am sure, provided a source of inspiration to our socialists. This book, entitled "Humanity and Industry", defined for the future that very social legislation on which we pride ourselves today. In 1927, in order to carry out his ideas on the development of social security, Mr. King had parliament adopt the Old Age Pensions Act. About 1936 followed more social security legislation which was to transform this country's approach to economic problems and increasingly demonstrate to our people that social problems as such were among the first matters to be provided for in the Liberal party's platform. At that time Mr. Mackenzie King brought in the Bank of Canada Act. By thus controlling our credit, Mr. King set his footsteps firmly along the road leading to the economic transformation of this country.

On reading this interesting book by Mr. Hutchison about Mr. King, one becomes aware of the extent to which this great far-seeing statesman has influenced this country's and the United States' policy, since it is said that he influenced Roosevelt's New Deal policy. There is cause for pride if one stops to consider what the Liberal party in this country has done by way of social security and industrial legislation.

In my constituency alone, $3,600,000 was distributed last year for social security, in old age pensions and family allowances alone. Furthermore, I note that in my constituency, thanks to the Unemployment Insurance Act, $600,000 was distributed in the form of unemployment benefits. All in all, the Liberal government has re-established the equilibrium which must exist among all classes of society and it has distributed the money where it was needed; it has acted in such a way that our children, our old people and the sick may enjoy the security to which they are entitled.

We are in favour of social security; it is indeed an object of satisfaction and pride to us Liberals. The present policy, which we have been moulding these last thirty years, is essentially a social security policy. It is because of this that today, in all parts of Canada, people of all ages, religious faiths or beliefs endorse the policy of the Liberal party. Let us develop our resources for the benefit of all Canadians. However, our immense natural resources are and must be developed through private enterprise. It would be bad for our country to kill this spirit of initiative through overtaxation.

I believe that every member of this house and everyone in this country recognizes the good will of the Liberals in trying to settle this social problem in terms of security for all. A Liberal whose heart is in the right place cannot help but understand that it is necessary to pass legislation to ensure that those who have nothing may live a life that will make them proud of being Canadians.

That is something we all want, we Liberals. We have a long-term program that will, within a very short while, provide our disabled people with a little joy and sunshine. Our social security program is such that the government will be able to bring into effect necessary health insurance legislation. There are many Liberals who believe that we must always go forward, but cautiously. It is quite easy for certain political opponents to confine themselves to outbidding the social security program by asking that it be doubled or tripled, but I believe also, Mr. Speaker, that a certain middle course approach should be our aim in this field as in others.

At the present time, family allowances cost this country $350 million; to double that amount would mean an outlay of $700 million. Apart from the children who benefit from family allowances, there are those invalids who come to see their member and say: "How is it that the government seems to ignore us? How is it that we seem to be considered as outcasts in our own country? You pass legislation in favour of old people and children, but what about us who are penniless and who are out in the streets?" I think that one of the first legislative measures to be adopted in this country, at the present time, should be in favour of these invalids.

Mr. Speaker, one could speak at some length on this social security question. It is a subject on which a lot has been written in every country. But if we consider what has been accomplished in this country these last 25 years and what has been done in the United States and elsewhere, we find that, thanks to the genius of the Right Hon. William Lyon Mackenzie King, our country is ahead of practically every other country, because of our decision to distribute the wealth of the nation among all classes of our population.

Well I believe that the great advantage of the Liberal policy is this: it is a middle-of-the-road policy. We sympathize with the socialist party people who feel pity for the poor and who want to help them, but they should not think that they are the only ones to have such feelings. We, also, sympathize deeply with all those unfortunate people who ask the government for assistance.

If we were able to double the amount of family allowances, if we could give to our population the benefit of all the social

measures possible we would do it with pleasure. I for one believe that people with means should help the poor.

Mr. Speaker, I notice it is six o'clock. My voice is getting hoarse and I move the adjournment of the debate.

(Text):

On motion of Mr. Breton the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Brooks: What is the business for tomorrow?

Mr. Harris: Mr. Speaker, I have announced three times that the business for tomorrow is housing.

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

HOUSE OF COMMONS

Thursday, January 21, 1954

The house met at 2.30 p.m.

QUESTIONS

CANADIAN BROADCASTING CORPORATION

Mr. Diefenbaker:

1. Does the Canadian Broadcasting Corporation operate an international service on behalf of the government of Canada?

2. If so, what has been the cost to the government of such service for the years 1947 to 1952-53, inclusive?

3. Is the sum paid for such service included in the published report of the Canadian Broadcasting Corporation?

4. Are the amounts paid the Canadian Broadcasting Corporation for international service, in addition to statutory grant of $6,500,000, shown on page 48 of the annual report, 1952-53, of the Canadian Broadcasting Corporation?

5. Does the Canadian Broadcasting Corporation have custody of crown assets?

6. If so, what is the total value of such assets, and are such crown assets included in the assets statement of the corporation as shown on pages 42-43 of its annual statement?

Mr. McCann:

1. Yes.

2.

Fiscal Year	Operations	Capital	Total
1947-48	1,268,073.23	59,326.18	1,327,399.41
1948-49	1,441,772.10	2,571,115.34	4,012,887.44
1949-50	1,556,157.24	1,103,847.64	2,660,004.88
1950-51	1,598,178.26	617,985.83	2,216,164.09
1951-52	1,821,454.96	176,731.08	1,998,186.04
1952-53	1,883,596.24	91,838.66	1,975,434.90

3. Yes.

4. Yes. The statutory grant is $6,250,000.

5. Yes.

6. $5,833,433.84 as shown on pages 42-43 of the annual report of the corporation for the fiscal year ended March 31, 1953.

PRISONER OF WAR ALLOWANCES

Mr. Dinsdale:

1. Will payment of P.O.W. allowances be extended to Canadian Korean P.O.W.?

2. How many Canadian Korean P.O.W. would be eligible for the allowance were payment extended to them?

3. What percentage of world war II P.O.W. eligible for these payments have applied to date?

4. What was the total number of Canadian P.O.W. during world war II, and how many of these are eligible to receive P.O.W. allowances?

Mr. Pickersgill: I should like to answer this question orally. The first part inquires whether allowances will be paid to prisoners of war taken in Korea. This would normally be a question of policy which it is not usual to answer in response to questions. I think I should perhaps point out that the awards that are paid to prisoners of war taken in European or Far Eastern theatres in the late war are paid out of funds under the control of the custodian, and not out of the treasury. I feel quite sure the hon. member for Brandon-Souris would not feel that there would be any moral justification whatsoever for using any part of these funds to make any kind of awards to prisoners of war taken in the Korean conflict.

I think the second part of the question is answered by the answer I have given to the first. As to the third part, I am informed by the secretary of the commission dealing with this matter that it is of course impossible to tell what percentage of prisoners of war would be eligible for payment until each case has been examined, but possibly the hon. member really wanted to find out what percentage of prisoners of war had made application to the commission. I am informed that it was about 65 per cent by the 31st of December, and it was on account of the fact that 35 per cent of possible applicants had not made application that the governor in council had the time extended for making these applications until the 31st of March.

As for the fourth part of the question, I am advised that the number of prisoners taken in the European theatre, which includes of course North Africa, was about 9,055.

DEBTS OWING CANADA

Mr. Thatcher:

1. What steps, if any, has the government recently taken to obtain payments from China, Czechoslovakia, Roumania and Greece, on their outstanding debt to Canada?

2. Have these nations neglected to maintain payments on their debt to Canada? If so, for what reason?

3. Has any nation mentioned in (1) indicated an intention of recommencing payments on their debt in the future?

Mr. Benidickson: I understand that the hon. member for Moose Jaw-Lake Centre is going to reword this question and probably advance it at a later date.

Mr. Speaker: Dropped.

Inquiries of the Ministry

QUESTION PASSED AS ORDER FOR RETURN

VEGETABLES AND EGGS—IMPORTS

Mr. McCullough (Moose Mountain):

1. What kind of vegetables and what quantities of these were imported into Canada, during each month of 1953?
2. What quantities of eggs were imported to Canada, and from where, during 1953?

LABOUR CONDITIONS

CANADIAN NATIONAL RAILWAYS—INQUIRY AS TO SYSTEM-WIDE LAY-OFFS

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I have a question for the Minister of Transport, but since he is absent today perhaps his parliamentary assistant would take note of it and arrange for an answer. I should like to have the minister tell the house whether system-wide lay-offs by the Canadian National Railways are to take place on or about January 26. If so, would he also tell us whether there is not some way by which such lay-offs can be avoided?

Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport): I will take the question as notice.

WOMEN CLEANERS, WINNIPEG—INQUIRY AS TO INCREASE IN WAGES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask a question of the Minister of Public Works. Has the minister as yet received a report from the Department of Labour with respect to the survey of prevailing wages in the Winnipeg area in relation to the matter of wages paid to women cleaners working for the minister's department? If so, is consideration being given to increasing those wages?

Hon. Robert H. Winters (Minister of Public Works): I have received an interim report, and I am expecting the final report in the near future.

DISABLED PERSONS

CONFERENCE WITH PROVINCIAL GOVERNMENTS ON SCHEME FOR ALLOWANCES

On the orders of the day:

Mr. H. P. Cavers (Lincoln): In the absence of the Minister of National Health and Welfare, I should like to direct a question to his parliamentary assistant. On Tuesday, November 24, in reply to a question concerning the rehabilitation of disabled persons, the minister informed the house that he had requested a meeting with representatives of all provinces to deal with the institution of a nation-wide scheme for allowances for totally disabled persons. Can the parliamentary assistant tell us whether this meeting can be convened, and when?

Mr. F. G. Robertson (Parliamentary Assistant to the Minister of National Health and Welfare): I am pleased to inform the hon. member for Lincoln that the provincial-federal conference to which he refers will be held on Monday and Tuesday of next week.

NATIONAL DEFENCE

STATEMENT ON STANDARDIZATION OF SMALL ARMS

On the orders of the day:

Hon. Brooke Claxton (Minister of National Defence): In view of the very general interest in the subject, I should like to make a brief statement on small arms. The Prime Minister of the United Kingdom has announced in the House of Commons that Britain will soon adopt a Belgian designed .30 calibre self-loading rifle as the standard infantry weapon for British forces.

Since the second world war Canada, together with other countries, initially the United Kingdom and the United States, has given consideration to the development and adoption of a standard small arm round and rifle. Over several years we conducted trials of several rifles, including the Belgian FN-2, to which Sir Winston Churchill referred. This is a fully automatic rifle capable of meeting the requirements desired in a weapon of this type and of using the standard .30 calibre round which I announced in Paris had been adopted by Belgium, Canada, France, the United Kingdom and the United States and approved as the standard NATO round.

I should inform the house that we have ordered 2,000 of these rifles for extensive user trials to further test the capacity of the rifle in all conditions found in Canada, particularly winter and arctic conditions. We have an understanding that if the rifle is accepted by this country we will produce it under licence from the Fabrique Nationale, which is one of the arsenals of the Belgian government. The Department of Defence Production will instruct Canadian Arsenals Limited to begin work on the engineering and industrial lay-outs for the production of this weapon, so that no time will be lost in anticipation of its acceptance.

It may be remembered that in April, 1951, it was announced in the United Kingdom that that country was going into production

of a new British type. The co-operative and constructive course now taken by the United Kingdom is very much in the interest of unity of action among the North Atlantic treaty nations.

I expect that we will take the same course, and I hope that other countries will do the same, thereby bringing about this greatly to be desired step on which so much time and effort has been spent in the interest of standardized practice and united action.

TRANS-CANADA HIGHWAY

REPORTS OF ALLEGED FRAUD—INQUIRY AS TO ACTION

On the orders of the day:

Mr. C. E. Johnston (Bow River): I should like to direct a question to the Minister of Public Works, of which I have given him notice. Has the minister been informed regarding the highway swindle in the Fort William sector of Ontario? Since contracts in the division in question involve trans-Canada highway contracts in which the federal government is interested, is the minister prepared to make a statement to the house regarding the matter?

Hon. Robert H. Winters (Minister of Public Works): I thank the hon. member for having given me notice of this question. It is similar to one asked on Tuesday by the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher), so perhaps anything I say now might be considered as an answer to his question as well.

In reply to the question as to whether or not I have been informed, the answer is yes.

In reply to the second question in each case, I might say that we are informed charges have been laid against several employees of the Ontario department of highways. I understand action is being taken which will give the courts an opportunity of hearing the information relative to the charges, so perhaps I should not discuss them too fully.

I might say, however, that in the district of Fort William some 14 contracts have been let under the terms of the Trans-Canada Highway Act since it was implemented in December 1949, and the agreement signed subsequent thereto in the following year. The total amount involved in these contracts is about $10·5 million. There is no evidence that all these contracts are under suspicion. This will be determined by the investigation which is still being made. Under the terms of the Trans-Canada Highway Act the federal government is obliged to pay half the cost of construction, which would normally require us to pay about $5·25 million in respect of those contracts. So far we have actually paid about $3,210,000, which means that there is a holdback of over $2 million.

I have given instructions that no further moneys are to be paid until we are satisfied that they will be paid actually in respect of work going into the highway construction.

Mr. Daniel McIvor (Fort William): I should like to ask a supplementary question, because in Fort William we are interested in this matter. What responsibility has the dominion government for administration?

Mr. Winters: I know the hon. member is familiar with the terms of the Trans-Canada Highway Act, which make it clear that the administration of the trans-Canada highway program rests with the provincial governments. We have made that clear to them and they understand the position.

VETERANS AFFAIRS

INQUIRY AS TO AMENDMENTS TO WAR VETERANS ALLOWANCE ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Can the Minister of Veterans Affairs say whether the government has yet reached a decision concerning the recommendations recently made by the Canadian Legion asking for amendments to the War Veterans Allowance Act? Will there be such amendments at this session?

Hon. Hugues Lapointe (Minister of Veterans Affairs): The matter is still under considera tion by the government.

POWER

REFERENCE TO PRESS REPORT OF PROPOSED SURVEY BY THERMO EXPERT

On the orders of the day:

Hon. George Prudham (Minister of Mines and Technical Surveys): On Monday last the hon. member for Cape Breton South (Mr. Gillis) drew my attention to a certain newspaper dispatch referring to a proposed survey of the thermal power possibilities of the maritime provinces. At that time I promised a statement at a later date.

The dominion coal board has for some time given consideration to the possibility of increasing markets for the coal of the maritime provinces, through its increased use in the production of power. Such a development would provide a more stable basis for industry and would lessen the need for

financial help in the form of freight subventions for the movement of coal out of the area where it is produced.

Use of electric power in the maritime provinces is less than in Ontario and Quebec, and it is considerably below the average per person for all of Canada. It is only reasonable to assume that any steps taken to increase the efficiency and lower the cost of power in that area would increase the demand for power and consequently the demand for fuel. Nova Scotia has almost exhausted hydro power sources; and while New Brunswick still has a potential on the Saint John river, the coal board is convinced that large scale production of power from coal would serve a twofold purpose of producing cheap power and maintaining employment in the coal industry.

As a first step in this matter the board has been in touch with the premiers of the maritime provinces and has suggested to them that a thorough and comprehensive survey of the existing and potential power production and distribution facilities would be of value in their appraisal of the power supply and needs of their respective provinces, and it would also be of value to the board and to the coal industry in their efforts to find wider markets for coal. The premiers of the maritime provinces concerned have expressed their interest and approval and are offering fullest co-operation in such a survey.

The board has been successful in engaging the services of Professor A. G. Christie, who is an outstanding expert on thermal power of international reputation, and he will be undertaking the survey. The results of this survey will be available to the provincial governments concerned.

The dominion coal board hopes that the report of the survey will disclose means whereby the price of power can be reduced with a consequent greater demand for coal in the local market.

EXTERNAL AFFAIRS

INQUIRY AS TO SPECIAL DAY FOR DISCUSSION

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 order to permit hon. members to make their plans, is the minister in a position to say now whether a day will be set aside for discussion of international external affairs, and when will that date be fixed?

[Mr. Prudham.]

Hon. L. B. Pearson (Secretary of State for External Affairs): It is hoped to set aside a day toward the end of next week; Thursday or Friday.

NATIONAL HOUSING ACT

SUBSTITUTION OF NEW LEGISLATION TO INSURE APPROVED LENDERS, ETC.

Hon. Robert H. Winters (Minister of Public Works) moved the second reading of Bill No. 102, to promote the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions.

He said: Mr. Speaker, the purpose of this bill is to re-enact the National Housing Act and to make substantial changes in its application. Since it is broad in its scope, covering as it does virtually all phases of housing, perhaps I should at the outset make a few remarks about the housing situation generally.

When speaking in the house last April I mentioned that new residential construction was at a high level. At that time I had available new residential starts for the first quarter of 1953. This trend, supported by existing legislation, has continued. I still cannot tell hon. members the exact number of new residential starts in Canada in 1953 because full statistics are not yet available, but we do know that at the end of November the starts numbered 98,000 for the first eleven months of the year. It would appear that about 105,000 units were started in 1953.

Hon. members will appreciate that these are starts of all kinds, in all parts of the country. Starts of about 40,000 units were made in 1953 under the terms of the National Housing Act and other housing measures taken by Central Mortgage and Housing Corporation. These figures represent a record level of house building in Canada. As compared with a low of 20,000 starts in 1933 and 45,000 starts in 1945, the accomplishment of 105,000 starts last year is a tribute to all who helped make them possible.

As might be expected, completions in 1953 will be about 10,000 units less than the number of starts. There will be a corresponding increase in the number of houses under construction at the end of 1953 as against a year ago. This is a condition which always obtains in a period of expanding residential construction. In periods of decline the reverse is the case. Hon. members will recall that in 1951 the number of completions, by reason of a heavy carryover, was greater than the number of starts.

Although none of us can be complacent about the need for housing, I think it will be agreed that considerable progress has been made since the end of the war. Although by no means a complete criterion of measurement, it is to be noted that the 1941 census showed an average of 4·5 persons per occupied dwelling, whereas the 1951 census shows average occupancy to be 4·1 persons. The census also revealed a reduction of about 50 per cent in the amount of housing which in the view of the census taker is substandard.

There has been a reduction in the amount of doubling-up or multiple occupancy since 1946. Not as an accurate yardstick of the amount of new housing we need, but rather as a rough indicator, I might point out to hon. members that total net family formation in Canada, after allowance for immigration and emigration, is presently at the rate of about 90,000 families a year. I hasten to add, however, that this figure cannot be directly related to the current production of new housing units at over 100,000 per annum. Nor should it be believed that all families that are not maintaining their own household represent a housing shortage of an equivalent number of units, much less effective demand for new housing.

However, the figures I have mentioned indicate that considerable progress is being made. The number of new housing units built in any one year must be related not only to our need for housing, but also to the effective demand by the Canadian people for housing. Both these figures are ever-changing and for that reason I do not believe it is possible to establish a target figure, other than one of a fairly wide range. But having said this, I would hope that it would be possible to maintain house building at a high rate, and indeed this is the main purpose of the legislation which we are now considering.

Hon. members will recall that up to the end of 1949 the number of housing starts and completions in Canada depended in large measure upon the available supply of construction workers and materials. During the years 1945 to 1949 there was no problem of a shortage of mortgage funds under the joint lending provisions of the National Housing Act or the conventional lending operations of institutional mortgage lenders. In fact the reverse was the case, and the period might well have been described as a borrower's market. During this period the construction industry rapidly increased its output and housing starts increased from year to year until in 1950 they reached the level of 93,000 units.

National Housing Act

Housing measures introduced by the government during this early post-war period were designed to meet such conditions. In 1947 Central Mortgage was empowered to make direct loans to home owners in areas where lending institutions did not carry on a lending business. This measure has been successful. Hon. members who were in the house at that time recall the difficulties in this respect. As matters stand today, I think it is a fair statement that credit-worthy borrowers in all parts of the country are able to take advantage of the National Housing Act, either through a lending institution or directly through Central Mortgage.

In 1947 rental insurance provisions were introduced to establish incentives to rental entrepreneurs. This provision in the act has proven both popular and effective. In 1949 the federal-provincial rental housing and land assembly measures came into force. Also in that year the additional one-sixth loan was introduced to lower the down payment requirements under the National Housing Act, because at that time it was considered that the capacity of the construction industry had reached a point where the number of prospective purchasers should be increased.

I have reviewed these circumstances briefly to show that during this period there was no great need to take measures to stimulate the flow of mortgage funds for new housing, because generally the supply of mortgage funds did not constitute a limitation on the housing program. With 1950 we faced a changed set of circumstances. The more urgent matters of the Korean war took precedence over the social objectives associated with housing policy. As a means of ensuring an adequate supply of materials for defence and defence supporting construction, the one-sixth additional loan provision was withdrawn in February, 1951, to reduce effective demand and at the same time prevent the prices of houses from rising unduly. This condition prevailed until October, 1951, when it was apparent that an increased level of housing starts could be supported by the economy without prejudice to the defence effort. Higher loan levels were introduced at that time. Housing starts, which had declined during 1951, rose sharply in 1952, from some 69,000 units to 83,000 units. This period of expansion in the housing field since the end of 1951 has been characterized by difficulties not present in the immediate post-war period. Foremost among these has been the shortage of private mortgage funds.

Over the post-war period the life insurance companies have been able to obtain substantial funds for new investment by selling part of their large holdings of government bonds accumulated during the war. Since 1946, the life insurance companies have reduced their holdings of government of Canada bonds by about $800 million, or from nearly 60 per cent of their total Canadian assets in 1946 to about 20 per cent currently. At the same time they have increased their holdings of mortgages by about $1,000 million, or from somewhat more than 10 per cent of their total Canadian assets in 1946 to nearly 30 per cent currently.

Investment shifts of this kind and magnitude obviously could not continue indefinitely. Although the lending institutions have also been in receipt of a steadily rising flow of repayments on earlier mortgage loans, it has become increasingly clear that at some stage they would have to reduce their rate of new mortgage lending from its recent level.

It will be recalled that increases in the maximum rates of interest authorized for National Housing Act loans were made in June, 1951, and September, 1952, to ensure a continued flow of new mortgages under the act. Hon. members will also recall that in the summer of 1952 arrangements were put into effect whereby the corporation was authorized to make direct loans to prospective home owners in centres of up to 55,000 in population, to compensate for a withdrawal from these centres of the operations of the lending institutions under the National Housing Act. These developments indicate that during this period the available supply of private mortgage funds was tending to fall short of the demand for them.

Even though the rate of house building in 1953 is over 100,000 units, this does not establish the adequacy of existing lending arrangements. The present situation is that the lending institutions are applying such an unusually large proportion of their new money to mortgage investment that a decline in mortgage money from this source must be anticipated. And even now their heavy mortgage investment is being supplemented by Central Mortgage which, in addition to its share of joint loans, is making direct loans at the rate of about $60 million a year.

It is quite clear that if there is to be an increase in private lending, additional funds must come from somewhere other than the present sources of institutional mortgage funds. The only other source of significant size stems from that part of the personal savings of individuals which year by year flows into savings deposits with the chartered banks. It is realized that at the present time these deposits are rather fully employed in other directions but we must remember that in conditions of normal growth in Canada there should be a substantial annual increase in savings deposits.

Under our present laws these funds cannot move into the housing sector because the Bank Act prohibits bank lending on the security of real estate mortgages. It is important to remember that the chartered banks perform in Canada a function with respect to savings that in other countries is performed not only by the banks, but also by building societies, mutual savings banks and savings and loan institutions. Because of the dominant position of the chartered banks in the savings field in Canada, and because mortgage lending is prohibited by the Bank Act, the housing sector is denied access to a large part of the funds which in other countries are available to finance home building.

This situation in Canada is unique. In the United States the commercial banks, the mutual savings banks and the savings and loan institutions who are the chief holders of the public's savings deposits have been an important factor in the residential field and between them are providing about 60 per cent of all new money in mortgage financing. In Australia the banks are a larger source of mortgage funds than the life insurance companies. In contrast, in Canada the life companies provide approximately 80 per cent of all institutional mortgaging financing.

It is these circumstances, together with the wide geographical distribution of the branch banks in Canada, that have led us to believe that with proper safeguards it should be made possible for the chartered banks to enter into the new residential mortgage lending field.

Hon. members will recall that the banking system in the United States encountered certain difficulties in the early thirties, and it is sometimes suggested that mortgage lending was one of the prime causes. Careful analysis of United States banking experience indicates that their mortgage problems arose mainly in connection with industrial and commercial rather than residential mortgages. Moreover, it should be borne in mind that the proposed changes in the National Housing Act will provide a very different kind of investment from the type of housing mortgage which was current in the twenties and early thirties.

The insurance feature, an important element in this program, aimed at making mortgage money available under the National Housing Act for residential construction, eliminates any possibility of substantial losses being

taken by the chartered banks on their mortgage portfolio. There is the added safety, not present 20 years ago, of principal, interest and taxes being paid by the borrower on a monthly basis.

In addition, provision is being made for liquidity of the mortgage portfolios held by the banks. In this legislation provision is made that Central Mortgage may purchase mortgages from approved lenders. In addition the government has announced its intention of proposing an amendment to the Bank of Canada Act whereby the mortgage portfolio of the banks will be eligible for loans from the Bank of Canada, as is presently the case for government bonds.

As the Prime Minister (Mr. St. Laurent) said in announcing this policy on October 1, the establishment of mortgage insurance will make it possible, by safeguarding savings deposits, to remove a barrier to the natural flow of the people's savings into housing investment. Because the banks have a widespread branch system, the benefits from participation by them in housing finance should be particularly important in those communities where other lending institutions have found it difficult to provide facilities for making and servicing mortgage loans. The introduction of an important group of new mortgage lenders should make more private funds available for home mortgages and should result in better facilities in mortgage lending in smaller communities.

This brings me to the bill which is now being considered. I will review it briefly. It is proposed to terminate the joint lending arrangement as presently contained in the National Housing Act and to substitute therefor one under which Central Mortgage will insure mortgages made by approved lending institutions to finance new residential construction.

It is proposed that the group of lending institutions presently authorized to operate under the National Housing Act will be enlarged to include the chartered banks and the Quebec savings banks. The amendment to the National Housing Act will have the effect of permitting the banks to make insured loans.

There will be three types of insured mortgage loans, first, those to assist in the construction of houses for home ownership; second, those to assist in the construction of rental housing; and third, those to finance the conversion of existing houses into multiple housing units.

The amount of the loan will be based upon a statutory percentage of the lending value and will be subject to a dollar limit to be set by the governor in council. The National Housing Act now makes loans available up to 80 per cent. The bill before the house contains provision that there will be an 80 per cent maximum ratio in the rental field, but in the home ownership field the ratios will be on the basis of 90 per cent of the first $8,000 and 70 per cent of additional lending value. This has the effect that up to lending values of $16,000 the ratio of loan to lending value will be greater than it is now, at 80 per cent, with corresponding lesser amounts of equity or down payment requirements.

The proposed legislation contemplates, as in the present legislation, that the governor in council shall establish maximum loans which may be made in the home ownership, rental and conversion fields. It will be recalled that at the present time the maximum loan is $10,000 for home ownership. In setting the limit of loan one consideration will be that the present cost of residential construction is about 25 per cent higher than it was when the $10,000 was set.

I mentioned earlier that loans would be made available to assist in the financing of the conversion of existing residential structures into additional family housing units. Although short-term financing in relatively modest amounts is available presently under the home extension section of the National Housing Act, it is felt that a more suitable arrangement should be made for an improved supply of new housing accommodation in the form of the conversion of existing larger houses into well-planned multiple units. Such conversions will be subject to conformity to standards. I hope that by this arrangement we will be able to add to our supply of new housing units and avoid what unfortunately is too frequently the case, an unsatisfactory conversion job being done for the reason that financing was insufficient both as to amount and term of repayment.

The period of amortization for home ownership loans, including co-operative housing associations and rural housing, will be 25 years as a minimum and 30 years as a maximum. However, the borrower will be able to arrange for a shorter term if he so indicates in writing. In addition, the governor in council will be authorized to designate areas in which the period of amortization may be less than 25 years where economic circumstances or productive capacity of the area are not sufficient to justify the full 25-year term.

In the rental housing field loans may be made with periods of amortization up to 25 years or for such lesser period as the

approved lender and borrower may agree upon. In the case of insured loans to assist in the conversion of existing property into multiple units, amortization periods up to 15 years will be proposed.

The changes in the home ownership field will have the effect of lengthening the period of amortization and reducing the monthly payments of the home owner. Under the new arrangements we expect that 25-year amortization will be the rule rather than the exception. This will result in monthly payments of about 73 cents per $1,000 less than with 20-year amortization. The longer amortization in itself makes it possible for families of lesser income to become home owners. For instance, in the case of a house subject to an $8,000 insured mortgage loan the difference as a result of longer amortization is about $5.86 a month, thereby making it possible for a family to become a home owner with about $300 less annual income than would be required if the insured loan were on a 20-year basis.

Mr. Fleming: Would the minister permit a question? Upon what rate of interest is that calculation based?

Mr. Winters: At the same rate of interest obtaining now, 5¼ per cent.

The bill contemplates that Central Mortgage will insure mortgages that are in accordance with the statutory requirements and regulations made under the new legislation. The insurance will provide that in the event of default and after title has been acquired by the holder of the mortgage, the corporation will pay in cash to the holder of the mortgage, upon receiving clear title to the property from the holder,

(a) 98 per cent of the amount of principal outstanding on the mortgage loan account and interest at the mortgage rate, if owing, up to six months.

(b) Interest at the mortgage rate less 2 per cent for amounts owing in excess of six months but not exceeding twelve additional months.

(c) Borrower's charges—such as fire insurance and taxes advanced by the lender.

(d) An acquisition fee of $125, plus approved taxable legal disbursements.

Provision is made that if the holder of the mortgage is to claim for interest arrears in excess of six months, then the approved lender administering the loan shall have satisfied the corporation at the end of three months that adequate steps were being taken in respect to the defaulted account.

[Mr. Winters.]

Hon. members will notice that this provision for loss settlement carries elements of co-insurance. In other words, in the event of loss being suffered by an approved mortgage lender under an insured loan, recovery is on the basis of somewhat less than 100 cents on the dollar.

Under the proposals the corporation will charge an insurance fee which shall be 2 per cent of the amount of a home ownership loan and 2½ per cent of a rental housing loan. The fee is payable by the borrower but shall be collected and remitted to the corporation by the lender. This fee differs from the one payable to the F.H.A. in the United States under their insured mortgage plan in that ours is in the form of a single premium capitalized into the mortgage account and repayable in monthly instalments as part of the mortgage, rather than an insurance fee of one-half of one per cent on the annual reducing balances of the mortgage loan outstanding. It also differs in that ours is about 40 per cent of that charged to the borrower in the United States.

It is proposed that these fees will be accumulated in a mortgage insurance reserve fund on the books of Central Mortgage guaranteed by the government of Canada. The assets of this fund may be invested in securities of or guaranteed by the government of Canada. The fund of course will also have among its assets properties which may be transferred to the corporation by the approved lenders, for which the approved lenders have received a loss settlement.

In the matter of liquidity, as I mentioned earlier, it is proposed to make insured mortgages eligible security for Bank of Canada advances to banks in the same way as government bonds. In addition, it is proposed that Central Mortgage will have the right to purchase insured mortgages from approved lenders.

Provision is also being made for ready transferability of insured mortgages not only between approved lenders but also to holders who are not approved lenders. In this latter case it will be required that the insured mortgage loan shall at all times be administered by an approved lender.

These are important provisions in that they meet the main objections often expressed to the banks being in the mortgage business. The insurance protects the banks and other lenders against substantial losses on their mortgage account and there are provisions for liquidity and marketability.

The bill proposes, as a change from the National Housing Act, 1944, that the appraisal establishing the lending value shall be made by Central Mortgage rather than the lending value being the lesser of the appraisals by the lender and by Central Mortgage. This change is necessary by reason of the fact that for the moment at least the banks have not the facilities to provide this second appraisal. Moreover the government considers this to be necessary so as to ensure that a uniform level of loan, authorized by parliament, is made available in all cases.

Likewise, in ensuring that the house under construction complies with minimum standards as may be established by Central Mortgage, compliance inspections previously done by lending institutions will now be done by Central Mortgage, chiefly because the chartered banks are at this point unable to undertake this work. We hope too that it will result in improved and more uniform inspection procedures.

The governor in council will by regulation determine the maximum interest rate which may be charged by an approved lender for an insured mortgage loan. It will be noticed that in the bill itself, as in the present National Housing Act, there is an upper limit, using long-term government rates as a base, within which the governor in council may set this interest rate. When the discussion took place on the resolution which preceded this bill, it was suggested by some hon. members that it would be well for the interest rate to be contained in the bill itself rather than to be set by the governor in council. This used to be the practice in the earlier acts but experience has shown that a statutory interest rate which can be changed only when parliament is in session is too inflexible to meet operational needs. Already we have experienced times when a statutory interest rate was too high or too low in relation to a change in the general interest rate structure. In fact, it was our experience in this latter respect that occasioned the provision for the setting of the interest rate by the governor in council. Were we, in this bill, to set an interest rate which seemed reasonable in light of the present general interest rate structure, and if general interest rates were to move one way or the other, we would be faced with either a lack of mortgage money, or mortgages being made but at an interest rate higher than necessary.

I am still in the same position as I was when I answered questions about the interest rate during the debate on the resolution. Although I cannot tell hon. members what the rate will be in the original instance or throughout the operations of the new insured mortgage arrangements, it might be helpful if I made some comments on this point.

When we come to set the interest rate we will have in mind that parliament would wish to keep it as low as possible for the benefit of borrowers and yet high enough to attract a sufficient flow of mortgage funds. After all, the bill would accomplish little if it contained or had set by the governor in council an interest rate which did not attract mortgage funds.

The rate upon the lending institution's share of present National Housing Act loans is 5¾ per cent. Under the new arrangement the approved lenders will be advancing the full amount of the loan and for that reason there should be a saving in their expense ratio, perhaps one-quarter of one per cent. On the other hand, there has been a general upward trend in the mortgage interest rate structure during 1953. In my opinion a maximum interest rate for insured loans of, say, 5 per cent, although desirable from the borrower's point of view, would make the legislation completely inoperative because no mortgage money would be forthcoming. On the other hand, I believe that in light of the guarantees provided by the legislation a rate of 6 per cent would be too high.

I may say, Mr. Speaker, that mortgage money on prime residential mortgages at the present time is anywhere from 6 to 6½ per cent and sometimes higher depending on the areas and conditions.

Under the present joint loan arrangements an individual, borrowing $8,600 on a 20-year basis, makes a monthly payment of $57.68. A corresponding loan under the insured mortgage pattern, on a 25-year basis, which will also include an insurance premium of $172, making a total loan of $8,772, would have monthly payments of $51.03, $52.28, $53.54, $54.83 and $56.13 at 5 per cent, 5¼ per cent, 5½ per cent, 5¾ per cent and 6 per cent respectively. This will give hon. members an idea of the general range of monthly payments which may be required in the new arrangement. I think hon. members may be assured that the government will give careful consideration to all the factors involved before establishing a maximum interest rate under this legislation.

The bill makes provision that the aggregate of all loans on which insurance policies have been issued shall not exceed $2 billion.

Up to this point my remarks have been related to the first 13 sections of the bill

which deal with the change from joint lending to insured mortgage loans. This part of the legislation is new and it is important because it provides facilities to those able to buy or rent accommodation on an economic basis. But there are families who are not in this position. To meet their needs loans to limited dividend companies are available. Or where a municipality and a province feel there is need for rental accommodation with subsidized rentals for families of low income, the federal government will participate to the extent of 75 per cent of the capital investment and subsequent operating losses. Where slum clearance and housing redevelopment are desirable, federal participation is available for 50 per cent of the cost of the slum clearance. These and other important provisions, contained in the present act, are submitted for re-enactment to round out authority for a comprehensive housing program. Hon. members are familiar with these provisions, but I will review them briefly and indicate any changes which are proposed.

The rental insurance plan, which must be distinguished from mortgage insurance, will be retained under the new legislation. It will be recalled that Central Mortgage has power to insure rentals and the re-enactment of this power makes it clear that where rental insurance is arranged, mortgage insurance is not necessary and therefore will not be available for the mortgage that finances the rental insurance project. Limited dividend provisions of the National Housing Act will be re-enacted. During the last year there has been substantially increased activity in this field. The present provisions contained under section 17 of the National Housing Act relating to loans by Central Mortgage to primary producers will be retained. The bill also re-enacts provisions to guarantee housing projects and land assembly projects undertaken by life insurance companies. A modification is introduced in that the allowed earnings of the life insurance company are increased from 6 per cent to 7 per cent, and the amount of the guarantee by Central Mortgage is raised from 2½ per cent to 3 per cent.

The authority contained in part IV of the present act relating to Central Mortgage guaranteeing the home improvement loans and home extension loans is to be continued. The insurance principle will be introduced by establishing an insurance fee of 1 per cent. The guarantee fund, however, will be as at present in the National Housing Act. The interest rate provisions have been removed and will be established by the governor in council.

[Mr. Winters.]

It is contemplated that the housing research and community planning provisions of part V of the present statute will be continued. It is proposed, however, that the provisions of section 25 of the present act relating to the experimental manufacture of component parts of a house, be embodied into the new part V and enlarged to permit the construction of houses for experimental purposes.

The provisions of the present section 45, authorizing the corporation to acquire land, instal services and construct housing projects will be continued.

The present partnership arrangements of the federal-provincial housing projects and land assembly are to be re-enacted without change, as are the provisions for federal participation in the slum clearance and redevelopment.

In these remarks I have tried to review all the main points involved in the bill, but there are a number of other matters, minor though important, that I have not touched upon. When the resolution was being considered I stated that I proposed moving that the bill be referred to the standing committee on banking and commerce. There will be opportunity in that committee for all parts and sections of the bill to be reviewed and studied. Again, when the bill returns to this house and is in the committee of the whole, I will be glad if hon. members so request to deal with any matters which I have not touched upon today.

I feel that the various proposals contained in the bill, widening the source of mortgage funds, and the geographical coverage by mortgage lenders; facilitating more private lending by the insurance of mortgages; encouraging the extension of terms of loans and the reduction in down payment requirements, particularly in lower priced dwellings, should produce a great improvement in the financing of housing and at a time which would appear to be most opportune.

I have no desire to hurry the deliberation which should take place upon this important legislation. I think it deserves the most careful study. However, I would be remiss if I did not remind this house that the time element in connection with this bill is of great importance. Even if we proceed very quickly with this legislation there may well be an uncomfortable and unfortunate hiatus or delay in lending activities. The arrangement is new and will take some time to introduce. Every effort must be put forward to ensure that the new arrangements are in operation by early in the spring of this year.

Therefore, without any element of unseemly haste, the government will do everything in

its power to see that this bill progresses through its regular stages with dispatch, and I am sure that we can count upon the co-operation of hon. members to this end.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, housing is a subject of first importance in this house at any time, not least of all at the present time. The bill we now have before us is unquestionably a major piece of legislation. I should like to indicate at once the concern of members of the opposition both for the subject and for the bill.

I was glad to hear what the minister had to say about his wish to see the bill make all possible progress. May I say at once that we are disappointed that the bill was not called for second reading prior to today. There was an indication from the government on December 16, when the house rose for the Christmas recess, that the bill would be one of the items on the order paper for immediate consideration on our return on January 12. Yet, for reasons which have not been explained, the government chose to prefer other legislation over this bill for the consideration of the house. Many of us fully expected, in the light of what was said on December 16, that this measure would be put before the house on our return on January 12, and for the delay of nine days which has followed the government must accept responsibility.

The house-building capacity of this country is a matter which we must have in our minds in approaching the provisions and effect of the bill. I take the words of the minister himself speaking in this house on April 28, 1953, when at page 4496 of *Hansard* he said:

> I have no doubt that if all the factors were favourable, if there were adequate serviced lands, mortgage money and so on, the Canadian construction industry could easily build 135,000 units per year.

Now, sir, I take due note of the qualifications put by the minister on that estimate, but I think we may accept that as an estimate of the house-building capacity of the Canadian construction industry, given the favourable considerations enumerated by the minister. Yet, even in the light of the figures and estimates given by the minister today, it would appear that a figure in the neighbourhood of 100,000 units is the greatest number of houses produced by this country in any year so far. Materials are in ample supply. Labour likewise is in ample supply. Yet we have in Canada a shortage of houses, and we have a shortage of funds available for financing home construction.

This house, not only during the present parliament but in preceding parliaments, has always shown that it is ready to give to the government whatever powers might be required to help to meet the housing problem of the country, and also to make funds available, in whatever form was thought best, for this purpose. Indeed, sir, it may be said that throughout this important post-war period the house has been on all occasions, I think, unanimous in supporting such proposals as the government has put before it. It is equally true to say that the house has frequently demanded of the government other measures which it has not been prepared to sponsor and which, under the rules of the house and the constitution, it was not within the power of any private member of the house to sponsor. Therefore I am sure I need say nothing more about the desire of those of us who are members of the official opposition to support whatever sound legislation may assist in meeting the housing problem. We are eager to see put into effect whatever will be sound and contribute to that purpose.

Let us go back for a moment. The Dominion Housing Act was enacted by parliament in 1935. The National Housing Act was enacted in 1944 and has been amended in almost every succeeding year. In 1946 it was given something of a major overhaul. The trend of the amendments has been in all cases to widen the scope of provisions of the act and give added powers to assist in meeting situations not theretofore fully provided for by the legislation.

The present bill, in the light of that brief review of the history of our housing legislation, is undoubtedly the most important piece of such legislation to come before the house since 1944. The importance of the bill is not to be measured in terms of size alone. It is a bill of 45 pages and some 20,000 words. Unfortunately the draftsmanship is involved, and I may say from my point of view that is regrettable in a statute like this which is not going to be construed in the main by solicitors.

But this bill owes its importance not so much to its size as to its provisions and the importance of the subject with which it deals. It does re-enact in fact the bulk of the present housing act, and I find the consideration of the changes that it introduces in our present housing legislation can very well take us into the field of economics.

Sir, it is not easy in approaching a bill of this kind to isolate the principle of the bill. We must of course have housing legislation. The house has supported in the past the kind of legislation that constitutes the bulk of the present bill, the provisions which are being carried forward.

As to the procedure recommended by the minister, I expressed my view on the subject when speaking at the resolution stage on December 16. I altogether commend the proposal that if and when the bill receives second reading it should be referred to the banking and commerce committee for consideration. That committee under these conditions, and in relation to a bill of the importance of this one, will have a heavy task and a serious responsibility to discharge, and I express the hope that that committee, if and when the bill reaches it, will insist upon the fullest possible hearings, will insist on hearing the points of view of those who are going to be affected by the provisions of the bill, and will make a most searching study of all its provisions to assure itself that the bill when put into operation will have the results held out to us by the government.

What are the principal aspects of the housing problem? Let us examine those with some care and measure the bill, as I think it is fair to do, in relation to them. What is delaying construction and greater use of the home-building capacity of the Canadian construction industry? How does the bill propose to help to make greater use of the home-building capacity of the Canadian construction industry? It would be fair to ask first of all what is the extent of the problem. I am not going to attempt to trade personal estimates of the extent of the housing shortage in Canada with the minister. The minister has expressed his view on this subject. He did so in the house on April 28, 1953, at page 4492 of *Hansard* when, after reviewing certain figures, he wound up by saying:

> . . . the backlog of housing needs would work out arithmetically at less than 100,000 units.

Sir, I am not prepared to accept that figure as the measure of Canada's backlog of housing needs. At the same time, I do not say that I commit myself to some of the other estimates that have been made. We have had figures from some members in this house suggesting that, in their opinion, the backlog of housing needs in Canada extends to 700,000 units. I do not accept that figure. We have not had in Canada, and I think we should have, a much more scientific effort to calculate the shortage of houses.

One method that has been applied, and which Mr. Mansur, president of Central Mortgage and Housing Corporation, does not accept, would take the figure worked out by the Curtis royal commission in 1944, the last royal commission which investigated the housing needs of Canada on a national basis, add to that figure the family formations year by year in the interval, and deduct from it the number of houses constructed. I do not pretend that is a scientific approach to the problem, but I think until we have something more scientific it must be at least a guide to us. On that basis the extent of the housing shortage in Canada would be something like 500,000 units.

I wish to be quite fair about this matter. I said I am not committing myself precisely to any one of those figures, but I do say I am satisfied that the figure of 500,000 units as the housing shortage, which has been worked out by such a well informed body as the Canadian construction industry itself, is a more accurate figure than the minister's estimate to which I have referred, of less than 100,000 units. In fairness to the minister I wish to say that he arrived at that estimate by an arithmetical calculation. He said it was an arithmetical result. I believe, Mr. Speaker, the time has come when there ought to be some more thorough and scientific survey of the extent of the housing shortage than has been made in this country in the last decade.

Certain it is that there is still a substantial housing need in Canada. The fact is that even with the favourable report the minister has made to the house this afternoon concerning home construction in Canada in 1953, the total number of housing units constructed in Canada since the conclusion of the war has not equalled the new family formations. Again in fairness one may take a second look at that statement. The fact of the matter is that if obsolescence of existing housing is not too rapid, if you have new current needs of 700,000 units arising in such a period as I have mentioned, and you have that number of houses being built, you are going to create some improvement in the general average of housing in Canada. You will have a higher proportion of newer houses, and with modern methods of construction no doubt there will be some improvement in the total housing situation in Canada.

But, sir, the fact remains that even with such results as have been achieved in the field of house construction in Canada since the conclusion of the war, we have not kept abreast of current needs as measured by new family formations in that period. Whatever the backlog in Canada was, whether it was 300,000, 400,000 or 500,000 housing units at the conclusion of the war, the number of needed houses in Canada based on that calculation is just as great today. No doubt many of the houses that were in existence in 1945 have been improved, but likewise there has been the usual obsolescence. Undoubtedly houses which might have been regarded as of medium quality at that time have dropped

somewhat since, and many of them which were of standard quality have dropped into the substandard class or close to it.

If the housing backlog in Canada were as small as the minister calculated it to be in the quotation to which I have referred, then I do not believe there would be very much need today for new housing legislation or new powers in the light of the record of home construction last year. If the backlog is only 100,000 units, then I think the minister has taken away any case at all for the government's demand for new powers to deal with the housing situation. The fact of the matter is that the housing problem in Canada is still more serious than the minister indicated it to be in his rather lighthearted estimate made on April 28 last.

Let us examine frankly and searchingly some of the aspects of this housing problem. In the first place, what are the needs? What are the factors which have contributed to the fact that, on the one hand, we have still a very large housing shortage in Canada, and on the other hand we have not employed to the full the capacity of the Canadian construction industry?

The first of these contributing factors is the shortage of serviced land. The minister has not said anything recently about the shortage of serviced land. He did in a very frank statement on the occasion I have mentioned, April 28 last, recognize the prime importance of our shortage of serviced land as the principal bottleneck now existing. At page 4451 of *Hansard* for that date the minister said:

> But we are still faced with difficulties.
> Most important among these I consider the shortage of serviced land.

May I interject there, Mr. Speaker, to say that I believe the minister was entirely right. It was a frank and factual statement. He proceeded:

> The post-war rate of housing starts has far exceeded the rate of lot development and the growth of municipal services, such as sewer, water, road and school facilities. Therefore the amount of available serviced land has rapidly diminished. In some centres substantial programs of new residential development must wait on the provision of additional serviced land, and in others a similar situation is approaching. An increasing proportion of current house building requires the development of new land.
>
> This problem has two important aspects, that of the municipality, and that of the house buyer. The problem of the municipality is more immediate. For the municipality, residential land development means the extension of pavements and existing utilities and commonly involves the provision of new schools. In some cases further land development may require enlarged central pumping plants and the like. In any case, such land development means heavy municipal expenditures. These expenditures must be financed by municipal borrowings. Because of unwillingness or inability to borrow, the municipalities do not always respond as soon as the need for additional serviced land arises. The financing problems are of particular severity in metropolitan environs where the growth associated with a great city is apt to be thrust upon a junior municipality which is predominantly residential, and which lacks those commercial and industrial assessments that bulk so large in the ordinary municipal tax base. It is this non-residential property that has traditionally given some relief to the home owner in paying for expensive urban services.

I think the minister is to be commended upon that review of what is the bottleneck today in the field of home construction. I shall attempt to ask and answer questions later as to what this bill does to eliminate that bottleneck.

The municipalities of this country, sir, are functioning today with virtually the same tax base that was given to them at the time of confederation. And, with the rapidly soaring costs of providing municipal services demanded by all residents, it has become beyond the power of municipalities to meet the responsibilities they are now expected to discharge under existing legislation. Consequently there has developed in some of these municipalities surrounding the great metropolitan areas of this country active and open resistance to house construction within their borders. It has resulted in builders opening up subdivisions being asked to assume the burden of paying for the installation of municipal services, and in other cases it has resulted in undisguised opposition on the part of the municipal government to the opening up of new areas for land development.

The second major reason for the existence of the housing problem in Canada today is the high cost of construction. In 1950, according to figures issued by Central Mortgage and Housing Corporation, the average cost of construction of a home in Canada was $8,805. In 1951 that had risen to $10,211. The figures given by Central Mortgage and Housing Corporation in its last report issued recently for the third quarter of 1953 showed that in the first eight months of 1953 the average cost of construction of a home in Canada was $10,788. That report has something to say about the reasons for this high cost of construction. At page 21 of the report one finds the following:

> Building costs, after dropping from January to May, rose again in July to equal costs at January 1953. The rise in construction costs resulted from an advance in construction labour wage rates, building material prices having remained unchanged from January.

Then it proceeds to say:

> The July composite index of residential building material prices and construction labour wage rates stood at 128·7 (1949=100) in July as against 126·4 in January and 124·7 in July, 1952.

The effect of higher wage rates on building costs was offset somewhat by a reduction in the average number of months under construction. This average dropped from 8·4 months in the first half of 1952 to 7·2 months in the first six months of 1953.

There are, in the light of figures I have just referred to, some encouraging aspects, indicating that there had been a measure of stabilization in house construction costs in the year 1953. That measure of stabilization, I think, gives one hope for expanded house construction. As long as the costs of construction were advancing at the rapid rate of the several years preceding 1953, undoubtedly those rising costs had a retarding effect upon the volume of house construction in Canada.

Given continuing stabilization of costs, there is some hope, I think, for an expanded volume of construction. But, sir, let us bear in mind—and we have had many authoritative warnings on the subject in recent days—that in Canada today we are in a high-cost economy marked by rigidity in costs. And it is quite possible that in this, as in other fields, if there should be further substantial advances in the costs of construction in Canada we shall virtually price ourselves, or those engaged in the industry, out of the market.

Sir, I think it is the duty of all of us to encourage in every way that lies within our power the utmost productivity on the part of all engaged in the construction industry in Canada, because in that way we can do much to meet the problem in the aspect to which I have referred. It can be met by increased productivity. I think it is the duty of all of us to do everything that may lie within our power to point that lesson home.

The third aspect of the problem is in relation to the down payment required. This flows in part from the aspect to which I have just referred. Under the legislation which has been in effect a 20 per cent down payment has been required in the case of all, with the exception of defence workers. It is the policy of the existing legislation to encourage home ownership. That indeed has been one of the foundations of the National Housing Act. It is a goal and a principle that is desirable both from its social and its economic aspects and, I think, has the support of all members in the house.

But this gap between the available mortgage loan on the one hand and the cost of construction on the other has been widened. The effect has been to prevent more persons from taking advantage of the opportunity of owning homes constructed for them under the provisions of the act. This was an acute factor even prior to 1949. In the province of Ontario, my own province, the legislature passed legislation which was introduced by the government headed by my esteemed leader, the Leader of the Opposition (Mr. Drew). The purpose of the legislation was to break that gap in half by providing funds by way of second mortgage money to a maximum of $1,250, or one-half of the difference between the first mortgage loan and the cost of construction, whichever of the two was the lesser.

Thousands of homes were constructed in Ontario through the assistance of those second mortgages, provided under provincial legislation. Then this parliament in the fall of 1949 decided to meet on a national basis the need which had been met in Ontario by the legislation to which I have referred. In the fall of that year this House of Commons amended the housing act to make provision for what was called the one-sixth additional loan, the effect of which was to add one-sixth to the amount of the loan then provided for under the National Housing Act. Then, as the house is well aware, that legislation, while received enthusiastically by the house, was nullified by the government by its own decision, without reference to the house, at the beginning of 1951.

Let us look at the way in which the gap between the cost of construction on the one hand and available mortgage loans on the other has widened. According to figures of Central Mortgage and Housing Corporation, in 1950 the average down payment on a new house constructed in Canada was $1,928. In 1951—and this figure relates to the end of 1951—that figure had advanced to $3,188. In other words, in a space of less than two years the average down payment in Canada had jumped by 65 per cent. That, sir, I suggest is as effective a way of measuring the problem existing in this country as one can find. It is a problem which arises out of the fact that the number of people in Canada today who have the ready and liquid funds available to make these increasing down payments is limited. And unless something is done in this respect, or unless there are changes made in other directions, then undoubtedly there is a band of those who do not own houses today but who would like to own them, people who in other respects are credit-worthy and whose incomes may be adequate to meet the standard prescribed by Central Mortgage and Housing Corporation and the government, who are not able to enter the field.

Sir, the fourth of these aspects of the existing housing problem is the question of available mortgage funds. Here we must

recognize the fact that there has been a tremendous demand applied to the existing supply of mortgage funds in Canada. We must not forget that there are still conventional loans to be provided for in Canada on both new and old construction; but the joint loans provided for under part I of the present National Housing Act have absorbed the lending capacities of the present approved lending institutions virtually to their limit.

Now, let all hon. members be fair and recognize that the government and this legislation have received on the part of those approved lending institutions the utmost co-operation. I am sure the minister will agree with that. He did not mention it, but I think it is a fact he will readily endorse. The present approved lending institutions have undoubtedly gone the limit. They have greatly increased the percentage of their investment portfolios devoted to mortgages. Let us also recognize the fact that if there have not been as many individual loans available, it is due to the fact that the average loan has increased in amount with the rising cost of construction. Even with a continuing stable supply of mortgage funds from this source, there is bound to be a reduction in the number of loans possible, in view of the present continuing high demand, and the supply of mortgage money from this source is not unlimited.

I have heard discussion in this house and in the committee on banking and commerce two years ago which seemed to suggest that there is an unlimited supply of mortgage money in Canada. Well, there is not; and those who are acquainted with this situation realize that the present approved lending institutions have gone to the limit of their lending resources under part I of the National Housing Act.

Sir, not many days ago Mr. George L. Holmes, the president of the Canadian Life Insurance Officers' Association, said that the housing investments of the Canadian life insurance companies in Canada for 1953 were in the neighbourhood of $350 million. The amount of money the companies now have invested in mortgages, he is quoted as saying, represents nearly 25 per cent of their assets in Canada. He also said that an 18 per cent increase over 1952 in the amount of money invested in housing is reported by the Canadian life insurance companies.

It has been calculated that the present available supply of mortgage money in Canada from present sources will provide for the construction at present prices of approximately 80,000 houses. Expenditures on new residential construction in Canada today are running in the neighbourhood of $1 billion per annum and that, sir, is between 18 and 19 per cent of our total capital investment in Canada of $5·8 billion.

It is also inevitable in these circumstances that, because of the cost of servicing loans on the part of the approved lending institutions, smaller centres of this country are losing out in competition with the larger centres. Let us not forget that in the case of most of these lending institutions some 46 pieces of paper have had to be handled in connection with every one of these joint loans under part I of the National Housing Act. The house accordingly approved in 1947 the enactment of section 31A, which made provision for direct lending by Central Mortgage and Housing Corporation in communities up to 5,000. A further change in 1952 extended the benefit of direct loans to communities up to 50,000, where the facilities provided by the approved lending institutions were not adequate to provide for mortgage requirements.

Now, sir, to sustain the financial requirements of a program of 100,000 housing units in Canada today at present prices there would have to be, it seems to me, either an extension of direct government loans, or some scheme devised to attract mortgage funds from other sources.

The fifth of these aspects of the existing problem is the income limitation on borrowers. It is provided by regulation that the amount of the periodical payment required from mortgagors for a loan under part I of the act shall not exceed 23 per cent of his gross income, and with very slight exceptions gross income does not include the income of the family; it is the income of the head of the family, the borrower only. Consequently one has only to look at the figures given by the minister himself when he spoke on April 28, as recorded at page 4490 of *Hansard*, to see that taking the average estimated cost of a house in Canada at $11,358, to qualify for a maximum loan adequate to service the construction of a house at that cost a person will have to have a gross income amounting to $3,696 per annum. Consider the number of those who have that kind of income in Canada today to meet the periodical payments on that basis—and that is after providing for the down payment, of course. As we have met, through the existing legislation, the case of those with the larger incomes, the number of those who cannot meet the existing requirements is necessarily bound to increase in proportion.

Now, sir, the sixth aspect is the period of amortization, or the period of time over which

the mortgagor is permitted to make his capital repayments. Twenty years is the limit provided today. The attitude of the lending institutions under the existing act has naturally been that they do not wish to see an extension of that period, because in that event the period of repayment, particularly in the early years of the life of the mortgage, when the periodical payment is largely devoted to interest and only a very small fraction to principal, does not keep pace with obsolescence of the property. Again, there is the question of incentive to the owner to go on and complete the payment of his mortgage. Then there is the problem of relating the life of the mortgage to the earning lifetime of the borrower.

These have all been important factors in the attitude of the approved lending institutions toward any lengthening of the period of amortization of the principal borrowed on joint loans under part I of the housing act. Therefore if there is to be any extension of the period of amortization it is necessary that there be some inducement held out, or some further security for the approved lending institutions which are asked to take additional risks.

The seventh aspect, sir, is the matter of interest rates. Of course the interest rate is on the one hand a matter of high importance to the borrower. It is also a matter of concern to the lender in relation to other market possibilities for return on his investment. Today we have achieved under the housing act an effective rate to the borrower on joint loans of 5¼ per cent because the government puts up 20 per cent at a rate of 3¾ per cent and the approved lending institution puts up 60 per cent of the total 80 per cent loan at a rate of 5¾ per cent, making a combined rate of 5¼ per cent.

Mr. Winters: I know my hon. friend knows this just as well as I do, but just to keep the record correct may I say that the ratio is 25 and 75 per cent rather than 20 and 80.

Mr. Fleming: I do not think the minister waited for my full sentence. I was speaking of the 80 per cent loan in relation to the lending value. The interest on the first 20 per cent of the 80 per cent as contributed by the government is at the rate of 3¾ per cent, and the lending institution puts up the other 60 per cent at a rate of 5¾ per cent, making a net rate on the 80 per cent, which is the total loan, of 5¼ per cent to the borrower.

Having reviewed these aspects of the present situation I think it is fair to apply to this bill this test: How does this bill propose to meet the problem from these various aspects? Then let us examine the bill particularly in relation to these seven aspects I have mentioned. On examination I find that these are the features of the bill:

First, the bill continues practically all of the provisions of the present act except those under part I in relation to the construction of housing on joint loan for owner occupancy. The provisions in relation to land assembly, limited dividend housing corporations, housing for rental, rural housing, home improvement loans, home extension loans, subsidized housing, research and community planning, are all continued in substantially their present form although the insurance scheme is applied to some of them.

Second, part I in relation to joint loans for construction of houses for owner occupancy is abolished.

Third, the chartered banks of Canada and the Quebec savings banks are now admitted to the category of approved lending institutions under the act.

Fourth, a new scheme of insurance is introduced in relation to loans under the act and some other forms of housing under the act, on which latter I shall not dwell.

Fifth, the amount of the mortgage loan is increased; instead of being 80 per cent, except in the case of defence workers, it now becomes 90 per cent on the first $8,000 of the approved lending value and 70 per cent on the balance.

Sixth, the period of repayment of principal of an approved loan is increased from 20 years to 25 to 30 years in the case of owner-occupied housing.

Seventh, we have a change in the provision for the interest rate. It is now to be prescribed by the governor in council by regulation and is not to exceed—this is the change—the interest rate on long-term government bonds by more than 2¼ per cent per annum.

The eighth feature is that the aggregate amount of all loans in respect of which insurance policies shall be issued under the act is not to exceed $2,000 million.

With that brief review of the features of this bill I propose now to appraise it, to submit it to the test of whether it will contribute toward meeting the housing problem in the various aspects which I have enumerated. I think it is our duty as members of the house, regardless of party, to give to this bill, in the light of its high importance, the most searching study.

Let us not be influenced by any exaggeration that has attended the announcements of the purpose or effect of the legislation. There

has been the usual fanfare in the government's announcements of this legislation and the benefits that it may hold forth. The first announcement of this legislation came not from the minister but from the Prime Minister (Mr. St. Laurent) on October 1 last. There has been created throughout sections of the country, partly by reason of exaggeration on the part of the government and partly as a result of innocent misunderstanding, the impression that this bill is going to create something of a new heaven and new earth overnight. Great expectations have been built up in relation to this bill and the scheme it contains. I submit that it would be cruel to disappoint expectations of this kind.

Let us see how this bill will attempt to meet the problem of our housing needs in Canada in relation to the various aspects I have mentioned. First, what does it do in relation to the shortage of serviced land or to meet the needs of municipalities? It does nothing new. The provisions of this bill offer no change whatever over those existing in the present act, and what is undoubtedly still the principal bottleneck in solving our housing problem today will continue. There is no provision in this bill in relation to it. This bill offers no help to the municipalities beyond such help as was offered to them under the existing legislation.

Second, in relation to the cost of construction, there is of course nothing in this bill dealing with that subject. It is quite possible—and the government laid stress on this in the light of the action they took in 1951 to eliminate the one-sixth loan—that the additional funds being made available for lending on mortgage security could result in inflationary pressures. My understanding is that Central Mortgage and Housing Corporation intends to continue to impose a limit on the prices builders may charge for houses built with approved loans. There has been no statement on that from the minister, but the minister nods his head and I understand he confirms the statement I have just made.

I do not think parliament has any wish to put up substantial funds of the people of Canada in order to assist any but the people of Canada who need housing. I think that is a fact which should be made perfectly clear in relation to the cost of construction. The people whom parliament is seeking to help are the people who need housing.

The third aspect is this matter of the down payment. The scheme proposed by the act does offer some assistance in this regard through a reduction in the down payment. Let me give two examples. Take a house costing $10,000. Of course there is no such thing today in any of the areas where shortages exist, but let us take this hypothetical case as a sad reminder of what we used to be able to do with our money when we wanted to build a house. On a $10,000 house, under the existing act it would be possible for the builder to obtain under part I a mortgage of $8,000. He would have to make a down payment of $2,000 cash. Under the scheme outlined in the present bill he would be able to obtain a loan of $8,400 and would have to make a down payment of $1,600.

Mr. Winters: Should that not be $8,600?

Mr. Fleming: I am sorry; it should be $8,600, with a down payment of $1,400. But to that he would have to add 2 per cent as his premium on the insurance, and 2 per cent premium on $8,000 would be $160 which would be added to the down payment. His down payment will thus become $1,560. In other words he pays $440 less than under the existing legislation. Let us take the net cost of a house today at $12,000. Under existing legislation the mortgage would be $9,600 and the down payment would be $2,400. Under the new legislation the mortgage will be $10,700 and the down payment will have to be $1,300 plus 2 per cent on $10,700 which is $214. He will have to find $1,514—

Mr. Winters: No.

Mr. Fleming: Is my mental arithmetic slightly too fast?

Mr. Winters: It is not a question of speed but of accuracy.

Mr. Fleming: They are related. We are agreed $10,700 is the amount of mortgage?

Mr. Winters: $10,700 is the mortgage loan on a lending value of $13,000. On a $12,000 lending value the mortgage loan is $10,000.

Mr. Fleming: And we add 2 per cent of the $10,000, which is $200, to his loan of $10,560. His down payment is $2,440 plus the 2 per cent, which makes a total of $2,640. Undoubtedly any reduction in the down payment is going to increase the number of those who will qualify for the loans.

Now, sir, let us come to the next item in this aspect of the housing shortage, which is income limitation, another test of eligibility. There is no indication in the bill that any change is contemplated in the 23 per cent relationship between gross income and the monthly payment. It is evident, of course, that by stretching out the repayment of principal the periodical payment is thereby somewhat reduced, not greatly but certainly to some extent, by relating the 23 per cent

to a slightly smaller payment. In that way the gross income required of an eligible mortgagor will be slightly reduced.

But again, subject to the accuracy of the figures of the amateur mathematician now speaking, and assuming a rate of 5¼ per cent on a loan of $12,500, under the act at present the gross income required of the mortgagor would be $4,600 per annum. Under the new act, with the 25-year period of repayment, the gross income required would be $4,360. In other words there is just $240 difference in the gross income required in that case under the present bill as compared with the existing act. Of course this is assuming that under the new act there will be the same effective rate of interest to the mortgagor as obtains at present, namely 5¼ per cent, though that is an assumption which the minister, in the light of his statement today, is not yet prepared to make.

The extension of the period for repayment of the principal will undoubtedly make it easier for some people to become eligible. But the question then arises, what about those who wish to increase the rate of repayment? We find, sir, that prepayments, as compared with the rate of periodical payment provided under the mortgage, will go to reduce the number of periodic instalments but not the amount of each.

Sixth aspect is the interest rate. This is a matter that I believe is bound to engage the attention of the house because of the importance of the interest rate in relation to the whole question of bringing into effective demand a number who are not now eligible for loans under the existing act, and obviously it concerns others outside the house as well as at least one member in the house. I have a dispatch here from the Toronto *Globe and Mail*, dated November 5, 1953, reporting a meeting of the young Liberals of the Toronto and York ridings. I shall read the text, though first I remind hon. members that this was after the proposed bill was announced by the Prime Minister on October 1. The report reads as follows:

> In the face of suggestions yesterday that N.H.A. rates of interest would soon be increased, the young Liberals of the Toronto and York ridings last night urged the federal government instead to reduce the rates.
>
> A resolution passed unanimously by the annual meeting of the Toronto and York association said a reduction in the interest rates of National Housing Act loans would encourage construction and enable easier purchase of homes.

The dispatch continues:

> Paul Hellyer, M.P. for Davenport, told the sixty young party members that he hoped N.H.A. interest rates would not go up.

That is his hope. The minister has been frank today in his approach to this question.

[Mr. Fleming.]

He has, it will be noticed, carefully refrained from any suggestion that the interest rate will not go up. Now, sir, this is a matter of extreme importance. The bill provides that the interest rate permissible under the new insurance scheme shall not exceed by more than 2¼ per cent per annum the effective rate on long-term Dominion of Canada bonds. Long-term could mean 20 years, but I understand that today the maximum maturities run to about 15 years and that the effective market rate on bonds of that maturity is about 3·65 per cent. Admitting that 2¼ per cent is the maximum additional rate under the legislation we are now called upon to enact, this new bill will provide a possible rate of 5·9 per cent on mortgages as compared with the existing rate of 5¼ per cent on loans under part I of the present housing act.

It is expected, of course, that by insuring the loan and thereby reducing the element of risk the lending institutions may be willing to accept a somewhat lower rate of interest than the 5¾ per cent they are now receiving on their share of the joint loans under part I of the act. But that remains to be seen. There is in this act a provision that no hon. member should overlook, because it is of very great importance to the whole appearance that has been given to this bill as one that will reduce down payments and reduce the periodical instalments.

Let us recall, sir, that even if you do extend the period of repayment of principal, if that mortgage should be accompanied by an increase of one-half of one per cent in the interest rate from, say, 5¼ per cent to 5¾ per cent, you immediately wipe out all the benefit the borrower receives by reason of the extension of the period of repayment, because his periodical repayments are going to be just as large as they are at the present time. That in turn relates to the provisions of the act in regard to down payments. Now, we have not heard anything of—

Mr. Winters: On the question of the down payment, and just to make one other correction of what might be left as an impression, the insurance premium will not go towards increasing the down payment, as the impression was perhaps given just now.

Mr. Fleming: I did not intend to leave that impression.

Mr. Winters: If, for example, there is a lending value of $12,000 and the amount of the loan is $10,000, the insurance premium in that case would be $200. That premium will be an increase in the amount of the mortgage loan rather than an increase in the amount of the down payment.

Mr. Fleming: I understand the point the minister is making. I must say that is one provision of this act that I think will have to have some clarifying amendments when the bill is under study in the committee because, whatever the intention may be, I am satisfied that the language of the bill is open to another interpretation on that point. I am quite prepared to accept the minister's statement of the intention of the bill. I simply say at this point that it is going to be necessary, I think, in order to carry that intention into legislative effect to insert clearer words in the bill than are used there now for that purpose.

I was speaking about the effect that would ensue from an increase in the interest rate to the borrower. In this respect we have not been told what the intentions of the Bank of Canada may be with relation to the borrowing market. It would be interesting to know. There have been vague suggestions in some quarters that the Bank of Canada intends to go into the financial market with a view, by its operations there, to making money available at lower interest rates than would otherwise be the case. I think before this debate has run its course the house should have an authoritative statement from the government as to its intention with respect to the operations of the Bank of Canada in that regard.

I come to the major question as to what effect this bill is going to have in increasing the supply of funds available for mortgage lending under the act. Here, sir, I think there are three aspects of this matter that must command the consideration of the house. The first is the elimination of joint loans under the present part I of the housing act. The second is the admission of banks to the circle of approved lending institutions, and the third is the insurance scheme.

The reasons given by the government for the bill, as stated by the Prime Minister in his statement on October 1, were to the effect that "the government is taking steps at this time because it feels that the present sources for mortgage money are insufficient to keep pace with housing needs." Therefore I take it that the principal purpose that the government has in mind in introducing this legislation is to increase the supply of mortgage funds. This must, from a reading of that statement, be the principal object of the bill. Will the bill have that effect? The minister was frank enough in his statement on December 16 to say in effect that he could not tell, and I am sure if he cannot tell nobody else can. These were the minister's words as recorded at page 1009 of *Hansard*, and I open with a quotation from my question to the minister in this respect:

> Will the minister tell us what is the expected extent of participation on the part of banks under the new scheme? Also will he tell us what is the anticipated augmentation from that source of mortgage funds, and how it may be expected that that augmentation will be made available for distribution in smaller communities?
>
> Mr. Winters: Mr. Chairman, it is difficult to answer those questions in detail. We do not know, for instance, to what extent the lending institutions will divert money they formerly put into conventional loans into the lending operations under the insurance mortgage technique. We would hope, however, that this would result in a great increase in the flow of mortgage money under the National Housing Act.

You will note, sir, that the minister, speaking, I take it, with reference to the existing approved lending institutions, is saying in effect: Well, we do not know whether they will be able to put any more money into their mortgage lending under the act. Then the minister proceeds:

> With respect to the last part of the question, perhaps it can be answered more specifically than the other parts.

Then he goes on to deal with something to which I shall return later, but he does not answer my question as to what might be expected to be the over-all result of this legislation with respect to the supply of available mortgage funds. The minister was not prepared to estimate the amount of mortgage funds that might have been expected from the banks as a new source.

With that background let us look at these three aspects, and first of all the abolition of part I of the National Housing Act. Those of us who have tried to keep ourselves close to the housing problem will, I am sure, view the proposed departure of part I of the act with very great regret. Part I of the National Housing Act has been in force since 1944 and it has been, I think, as fruitful a piece of legislation as this parliament is likely to enact in the ordinary course of events. It has created an individual pool for each lending institution under which the government and the lending institutions have, in approved proportions, shared the risk. Seventy per cent of the lending for new one-family residential construction today comes from that source. In the first eleven months of 1953 we saw that joint lending under part I of the act provided for the construction of some 30,500 units. Conventional loans, on the other hand, as an investment for the funds of the approved lending institutions, attracted just $92 million by comparison in the same eleven months' period for 17,500 units.

The results, I think, are also to be measured in relation to the sound social

purpose of encouraging the ownership by Canadians of their own homes. Let us look for a moment at the results that have been achieved in that period. The daily bulletin issued by the dominion bureau of statistics of March 17, 1953, had this to say about the trend of home ownership in Canada in the ten-year period up to 1951:

Home ownership made a big advance in Canada during the ten years from 1941 to 1951, according to a census bulletin on housing by tenure and type of dwelling published by the dominion bureau of statistics. Of the 3,409,295 occupied dwellings in Canada's ten provinces in 1951 2,236,955, or 65·6 per cent, were occupied by owners and the remaining 1,172,340, or 34·4 per cent, by tenants. This represents a substantial jump in both the number and percentage of owner-occupied dwellings over 1941.

Sir, for that jump, the greater part of which occurred in the seven-year period from 1944 to 1951 rather than in the three-year period from 1941 to 1944, part I of the National Housing Act deserves the bulk of the credit for the substantial increase there recorded in the proportion of owner-occupied homes in Canada. What of the period since 1951? In the daily bulletin of the dominion bureau of statistics of January 8, 1954, we find the following:

Total number of households or occupied dwellings in Canada's ten provinces increased by 232,000, from 3,409,000 to 3,641,000 in the period of approximately twenty-seven months from the time of the 1951 census to September, last year, according to results of a special survey of housing characteristics and household equipment in private homes by the bureau.

Then it adds:

About 73 per cent of the increased number of dwellings was in single detached houses which rose by 172,000 to 2,448,000 units. Of the ten-province total, 2,451,000 or slightly over two-thirds were owned by the occupants.

Again, Mr. Speaker, I say that in accomplishing this result, so desirable both from the economic and social point of view, the provisions of part I of the National Housing Act are entitled to a measure of high praise. The government, of course, has participated and for the first eleven months of 1953 has earmarked approximately $106 million under the National Housing Act. In round figures there is $60 million for its share of the joint loans under part I of the act and $50 million on account of direct loans.

Let us remember again the credit that is due the approved lending institutions for putting up the other three-quarters of the total for all joint loans under these provisions. In the first eleven months of 1953 these approved lending institutions have accounted for an increase in new residential construction over the same period in 1952 of no less than 22 per cent. This is a tribute

both to the effectiveness of the provisions of part I and to the co-operation that has been enjoyed by the government from the approved lending institutions in administering these provisions.

In his statement on December 16 from which I quoted, the minister was wary in his comments as to what might be expected from the existing approved lending institutions in relation to the augmentation of existing sources of mortgage funds. From the same newspaper report of the statement issued on January 2 by Mr. George Holmes, president of the Canadian Life Insurance Officers' Association, I read this:

Commenting on the new housing legislation now before the House of Commons, Mr. Holmes said:

"It is too early to foresee the effect of the government's new insured mortgage legislation. The companies desire to co-operate with the federal government as they have done in past years to provide additional housing, but the volume of funds available for this purpose will depend to some extent on whether the interest return on the insured mortgages, having regard to safety and administration costs, is competitive with other avenues of investment."

I suppose we come back to this position, Mr. Speaker, that no one can say with certainty what will be the amount of mortgage money available under the new scheme.

I come now to the second aspect, the matter of admitting the banks to the category of approved lending institutions. In this respect the bill approves a fundamental departure from all Canadian banking practice and banking legislation of the past. The Canadian banking system is, as all members are aware, unique in the world. It has been a strong system. One has only to recall the strength exhibited by the Canadian banking system in the depression years as compared with the results in the United States, to recall gratefully the strength of the Canadian banking system. Unquestionably part of that strength has been due to the presence in the Bank Act of section 75, subsection 2 (c), which provides as follows:

Except as authorized by this act, the bank shall not either directly or indirectly

(c) Lend money or make advances upon the security, mortgage or hypothecation of any lands, tenements or immovable property . . .

To maintain the strength of the Canadian banking system, we must have regard to two features which I believe are of the highest importance, namely, security and liquidity. It is because there have been security and liquidity in our banking system and in the range of investments available to the banks that our banking system has been strong. The strength of the system also owes much to the quality of leadership we have had in the Canadian banks. Unquestionably we

have at the head of our banks some of the leading business executives and some of the most competent men in Canada.

The money in the banks belongs to the depositors. I am sure it will alarm not a few persons to learn that this far-reaching legislation was introduced, involving a fundamental departure from the principle of Canadian banking legislation as it has existed from confederation, without the banks being consulted by the government before the decision was taken and announced. Let us then understand that the banks have not asked for any widening of their powers in relation to investments of this kind.

Even if this legislation goes into effect quickly, it will still be necessary for the banks, in order to follow wise and prudent investment policies, to diversify their investments and to meet the traditional obligation of Canadian banks to finance the development of Canadian resources. Today bank funds are substantially employed. I do not believe the government is going to suggest there is any volume of idle funds in the vaults of the banks. It does not pay the banks to have idle funds. They make their profits from lending money prudently. On a recent occasion when the minister was speaking in the city of Toronto, he did hold out the hope that, without trespassing upon their existing volume of loans and investments for other purposes, the banks would have available a volume of funds arising from new deposits as the population increased. If the population increases, then certainly the demands upon the banks to finance increasing and expanding development of Canadian resources are likewise going to increase.

No one can fully answer this question, but in asking ourselves whether the banks are going to lend extensively under the provisions of this act let us face up to the fact that to find funds for its purpose the banks may be obliged either to sell government bonds, to call in existing loans or to expand credit. It is one thing, sir, to expand credit on commercial loans for a period, we will say, of nine months, but it is another thing to expand credit on mortgages having a lifetime of 25 or 30 years. In other words, it is an entirely new field so far as the banks are concerned.

If you will examine the December, 1953, issue of the statistical summary of the Bank of Canada, you will see that the 1953 gross national product at today's market prices is adjusted at $24,176 million. Out of that total Canada is devoting to housing a gross domestic investment of $1,032 million. That is a very high proportion going into investment in housing today.

I say these things with a view to trying to put this measure in its true proportions before the house. It is so easy for people to draw the impression that because you are going to allow the banks to lend money on mortgage security, and that because the banks have billions of dollars in their balance sheets, suddenly you will have a gigantic infusion of new mortgage money available for mortgage investment.

Sir, it would be a bold man, one indulging in a good deal of speculation on the subject, who would be prepared to say with any degree of confidence exactly what amount the banks are prepared to devote to investment under this bill, by way of mortgages. I know we can assume that the banks will co-operate; but I hope we are not going to contemplate any pressures being exerted upon the Canadian banks to put depositors' money into long-term investments on mortgages under this act, when the course of bank experience and the necessities of preserving liquidity would dictate to those responsible for the banks' investments that they should not go too deeply into investments of this new kind.

Sir, the banks must continue to have regard to both liquidity and security in all their investments. Both are of the highest importance with them; but they are not the same thing. It may well be that the problem of preserving security with bank investments is going to be met substantially by the insurance provisions, under the scheme of this act. But let us recall, sir, that even though security is provided in that way, that in itself does not provide liquidity, because after all you can have a bank mortgage guaranteed against default, but if the mortgage goes on without default on the part of the mortgagor the bank's funds are tied up. And they are tied up for periods up to 30 years under the provisions of the new scheme.

Therefore the provision for insurance by Central Mortgage and Housing Corporation is no guarantee whatever of liquidity for these bank investments. What is proposed by the government in relation to liquidity, as the minister stated in his speech this afternoon, is that the Bank of Canada Act is to be amended to provide that the mortgage portfolio of chartered banks is to be eligible for loans from the Bank of Canada.

That will have to be considered a feature of high importance in assessing the provisions of this present bill in regard to the needed preservation of liquidity on the part of bank investments. I make only one further

comment on the matter of bank investment, and I do it by way of trying to bring this matter into its true proportions, and eliminating wishful thinking—which undoubtedly all of us have been tempted to do in this respect, not excluding the minister himself.

Speaking on the measure on December 16 last, as reported at page 1009 of *Hansard*, the minister made some comment in reply to a question of mine to which I referred earlier this afternoon—and I am now taking up the minister's answer at the point I broke off when reading earlier. I was asking him with respect to anticipated augmentation from banks of the available supply of mortgage funds. The minister's answer proceeded as follows:

> With respect to the last part of the question, perhaps it can be answered more specifically than the other parts. I understand there are about 4,000 branches of the chartered banks in Canada. Each branch will now become a lending institution. That in itself will increase the number of lending agencies under the National Housing Act from some 150 odd, as there are at the present time—that is, branches of authorized lending institutions—to over 4,000.

I am afraid the minister has been indulging in wishful thinking in picturing every branch of the chartered banks in Canada as a local lending agency. It may be that the banks will in time use their branches extensively in relation to whatever mortgage business they choose to embark upon; but there has been no statement from the banks to that effect. And I just throw out a word of caution at this point.

To assume that the banks are going to pump vast resources into mortgage investments on the one hand, and also that 4,000 bank branches in Canada are all suddenly going to become local lending agencies, is to make an assumption that is not warranted by any authoritative knowledge that exists at the present time.

The third feature is this insurance scheme. This is designed, of course, to make the lending on the new terms palatable to the banks, and to encourage the present lending institutions to enlarge their mortgages. Because while previously approved lending institutions have been providing 60 per cent of the 80 per cent of approved lending value, from this point forward, on an increased lending value, they are expected to put up the full 100 per cent of the loan.

Let us remember this: all members in the house with legal training know that the law in relation to guarantees is a very technical branch of the law, and that it is necessary for a person who enjoys the benefit of a guarantee to comply strictly with the letter of his contract, if he hopes to hold the guarantor to his guarantee.

While this insurance scheme has some precedent in the United States, our situation in Canada is rather different; and I do not think precedent in that respect can be pressed too far. Let us also recall that the loan is limited to 98 per cent of the mortgage risk. I am referring to the principal and the arrears up to six months. A 2 per cent premium is paid for it by the mortgagor. The limit of $125 may not be adequate to cover the expenses to the mortgagor; and for that reason I caution the house against assuming that the guarantee will be worth 98 per cent of the face value of the mortgage.

I make these further observations on this matter of guarantee. First, it is not open to individuals as mortgagors; it is confined to institutions. However, it will become open to individuals to purchase insured loans from approved lending institutions. Secondly—and this is a factor I ask the house to consider carefully—the limit of a loan which can be insured is a minimum of 70 per cent.

In other words, no approved lending institution which lends only 69 per cent of the approved lending value becomes eligible for insurance. It must be 70 per cent or more. I suppose that any of the approved lending institutions is prepared, under proper circumstances, to lend up to 60 per cent of approved lending value, without any form of guarantee or insurance. So we do not need to worry about loans up to 60 per cent of approved lending value.

But, sir, the effect of this bill will be that, in the case of loans in excess of 60 per cent and less than 69 per cent of the approved lending value, there is open to them no loan under existing practice from an approved lending institution on the one hand, and no insurance on the other hand. So that we should realize that in some cases at any rate we are insisting that the intending mortgagor, even if he can get along with 61 per cent of the approved lending value by way of loan, must take 70 per cent if the mortgage is to qualify for insurance.

The third feature that I should like to comment on is the necessity, the statutory requirement, that possession and title be given by the holder of the mortgage, the approved lending institution, to Central Mortgage and Housing Corporation in order to qualify for the payment under the guarantee. Is this such a simple matter that it can be just hustled over, Mr. Speaker, as has been done

by the minister today? Sir, this could be one of the major problems arising under the provisions of this bill.

It is a requirement of this bill that before the mortgagee can call upon the Central Mortgage and Housing Corporation to pay 98 per cent of the principal of the loan, plus the six months' arrears, the mortgagee first of all shall have obtained possession and title to the property in order to deliver title and possession to the Central Mortgage and Housing Corporation. There is only one very slight exception to this rule in the bill. Sir, that means that the mortgagee must foreclose the mortgage. Indeed, under this bill, if a mortgagee permits the arrears of interest on the mortgage to accumulate beyond six months he is running the risk of losing the benefit of the guarantee with respect to any additional arrears. What does that mean? Well, I am quite sure that the mortgagees in this case are not going to risk forfeiting the benefit of the guarantee. They are going to be required to take such steps as will put them in a position to deliver possession to Central Mortgage and Housing Corporation. What does that mean? It means foreclosure. It means dispossession of the owner of the equity. There is no escape from that fact under the provisions of this bill, except one very slight saving provision which will be available under the bill in very few cases.

Anybody who has had any experience with the mortgage business, especially in the depression days, knows perfectly well that in the vast majority of cases the mortgagee does not wish to take over the property. He looks on his mortgage as an investment, not as an avenue by which he can obtain title to the property. In most cases he is not interested in becoming a property owner. He wants his money back, and therefore he will nurse the mortgagor, the owner of the equity, along as long as there is a chance of the owner of the equity making good.

Under this bill, sir, a holder of an insured mortgage dare not give additional time to a mortgagor, once his mortgage is in arrears six months, without jeopardizing his guarantee. Let the house, if it will, weigh that fact carefully. And if in time to come recession should occur, with a drop in real estate values, and the owners of equity are unable to maintain their payments, if that situation should arise then this bill would drive the holders of these mortgages to insist upon the letter of the law in their mortgages and to take steps in the event of six months' default to acquire title to the property and dispossess the owner of the equity.

Now, sir, we are thinking about this in terms of what this legislation may contribute to sound social as well as economic purposes, the kind that parliament would approve. Is that a sound social objective? The owners of houses with insured loans upon them, in the light of this provision, are going to have a much more difficult lot than those whose properties are not subject to insured loans. It is going to demand of the holder of the mortgage that he insist upon prompt payment, and that he should not allow the mortgage to run into arrears, because he must be in a position to give possession to the Central Mortgage and Housing Corporation.

Take this situation also, Mr. Speaker. We have had experience in this country in depressions of moratorium legislation being introduced by provincial legislatures. Suppose there should be a recession in this country. Suppose the recession should reach such a point that provincial legislatures again should decide to intervene as between mortgagors and mortgagees and impose a moratorium in such cases, preventing the mortgagee from qualifying to give possession to the Central Mortgage and Housing Corporation in order to get the benefit of that corporation's guarantee. Here is the situation, surely, that the guarantee is intended to provide for when a mortgage goes into default. And yet in that case provincial legislation can prevent the mortgagee from obtaining possession of the property so as to put him in a position to call upon Central Mortgage and Housing Corporation to make good its guarantee, because he would not be in a position to give that corporation possession. That is not the only possibility, Mr. Speaker. Suppose some provinces, in the event of a recession, decided to enact debt adjustment legislation, decided somehow or other to intervene in this field for the purpose of adjusting debts. If legislation of any kind is introduced in this respect the beneficiary is going to be the Central Mortgage and Housing Corporation, and a guarantee to that extent is going to be worth less than I am sure many hon. members now think or have been led to think it is worth.

I am not prepared to speculate today on the possibility of that recession coming. I do know that there are some very eminent people in this country who do say that they think there is evidence of the possibility of a recession. I notice that on October 14 last Mr. A. R. Mosher, the president of the Canadian Congress of Labour, was quoted in his speech at Vancouver as saying:

> I do not want to be pessimistic, but I think there are some signs that a recession is coming.

That remark comes from a very prominent labour leader in this country.

I am not prepared to speculate on the question of a recession coming, but I do say that every hon. member must take into account the possibility. In addressing himself to this bill he must take account of the situation that would arise in the event of a recession occurring in this country, and a different situation arising from any that we have been facing in recent years.

Our housing legislation, you see, Mr. Speaker—and this goes for part I of the present act—has had the benefit, in those post-war years, of good times, rising real estate values and rare defaults on the part of mortgagors. What occasion has there been for any mortgagor to default on a mortgage, Mr. Speaker, when in most cases, unless he made a very improvident purchase, as the market rose he could sell for more than he paid? If that situation is ended, the factors that I have mentioned may come to be factors of high importance. In any event, I am quite sure they are going to be matters of importance for the approved lending institutions in weighing the value that they are prepared to attach to the guarantee provided under this bill and deciding to what extent they are prepared to reduce the return that they ask for the risks they take in connection with such loans.

There are two other matters that I should like to mention, Mr. Speaker. The first relates to the position and power of Central Mortgage and Housing Corporation under this bill. If this bill is enacted in its present form or anything approaching its present form, Central Mortgage and Housing Corporation will derive under its terms gigantic powers. Under the terms of this bill that corporation will become the sole arbiter of at least three things, each of which is of cardinal importance in connection with parliament's expectations from this bill.

First, Central Mortgage and Housing Corporation becomes the sole arbiter under this bill of lending value. The bill provides:

> "lending value" means the value for lending purposes of the house or housing project determined by the corporation.

Indeed, not only must every mortgage under this bill, in order to be eligible for insurance, be approved by the corporation, but Central Mortgage and Housing Corporation will itself make the appraisal. The minister told us this afternoon that the banks have not qualified staffs or personnel for that purpose. There is a very great power.

Second, Central Mortgage and Housing Corporation with respect to every mortgage under this bill will be the sole arbiter of the standards and quality of construction. There are those who may take some satisfaction from the safeguards that Central Mortgage and Housing Corporation will insist upon in relation to standards of construction, but let no hon. member lose sight of the implications of the inescapable fact that under this bill Central Mortgage and Housing Corporation becomes the sole arbiter with respect to every loan made under the provisions of this bill for all Canada of the standards and quality of construction.

Third, Central Mortgage and Housing Corporation under this bill becomes the sole arbiter of the speed of construction with respect to every loan insured before construction is undertaken, because if the approved lending institution wants the benefit of insurance with respect to instalments made under a building loan it must accept the fact that Central Mortgage and Housing Corporation controls the progress of construction. It must approve every single advance or instalment.

Speed is essential in holding down the cost of construction. In the report by Central Mortgage and Housing Corporation which I mentioned earlier attention was drawn to the fact that housing costs in Canada were stabilized last year only by reason of the fact that the average period of house construction, the average period it took for a house to be constructed from the time construction was started until it was finished, had dropped from 8·4 months in the first half of 1952 to 7·2 months in the first six months of 1953. Already builders in this country have indicated very serious apprehension about delays in construction with reference to provisions of this kind. I simply content myself at this time with drawing attention to it and seeking to impress upon the house that Central Mortgage and Housing Corporation under this bill becomes the sole arbiter of the speed of construction with respect to every loan approved before advances are made under it.

That is why I say that under this bill Central Mortgage and Housing Corporation and its officials derive gigantic powers. Let us use the proper expression, whatever may be the implications read into it on occasions; it means the vesting of vast powers in a giant government bureaucracy.

One could use the illustration of the camel putting his head in the tent and working his way in by degrees. By this bill we see Central Mortgage and Housing Corporation growing from its modest participation originally assigned to it in the housing scheme and now stepping in and assuming the sweeping powers provided by this bill. For that reason builders are realizing how

vast are the powers the corporation will hold under this bill and are therefore taking a second look at the bill.

Before I leave that subject I desire to express just one further thought in relation to the possibility of defaults in the event of recession. When speaking on housing on April 28, 1953, the minister quite properly said, as reported on page 4491 of *Hansard* of that date:

> I think it is important as a matter of policy that the federal government should neither be the landlord of too many Canadians nor should it hold the mortgages for too many Canadian homes.

That being the view of the government as expressed last April, let us remember that in the event of widespread defaults in the event of a continuing recession, if it makes good its guarantees the government will acquire possession and title to a great number of homes in Canada under this bill. Very quickly it will become the country's greatest landlord.

Next, the bill vests in the governor in council very sweeping powers to enact virtual legislation in the form of regulations. There are pages of provisions in the bill which vest in the government the powers to enact provisions in the form of regulations. This wide power to legislate by regulation could be applied, on the one hand, if the government so choose, virtually to nullify the legislation enacted by parliament. On the other hand, if used by the government for this purpose it could be made the occasion of rampant inflation in Canada. I express the hope that if this measure becomes law it will not be allowed to become bogged down under its own weight by reason of a multiplicity of troublesome regulations and that the government is not going to heap upon those who are going to have to work under it such a mass of paper work that it is going to make loans under its provisions distasteful to them.

The powers are so vast that those of us who do not trust power in the hands of the government will not feel that powers of this nature, powers which are so wide, so sweeping and so inclusive are needed.

The Bank of Canada is going to have an important part to play in the whole scheme, as was made apparent to us today. The liquidity of bank investments in this respect will depend upon action on the part of the Bank of Canada. Let us not lose sight of the fact that there is lurking danger of inflation here. This bill can go far beyond the present housing situation in Canada in its effect.

I have spent more time on this than I intended to in looking into the possibilities that could arise under this bill. As I say, in its effect it is going to extend far beyond the immediate situation. It is evident that in introducing a bill with powers as sweeping as this one the government is looking beyond the housing situation that exists. On the face of it, it looks as though the government is girding itself with another weapon to deal with the possibilities of recession, and is resorting to the Keynesian theory of economics.

It would appear as though the government was looking to this bill as a means of stimulating house construction, not simply with the view of improving the existing shortage but with the view of stimulating house construction in future as a source of labour and the encouragement of other consumer spending as well as having regard to the social effects which come from owner-occupied houses.

I apologize for the length of time I have spent in this review of the bill and its implications. I have done it because of the admittedly vast importance of the bill. It is extremely important that the opposition, in discussing a piece of legislation of this kind, should fulfil its duty to the house and to the Canadian people and give the most searching scrutiny to the bill so that if parliament chooses to adopt it and it should go into effect both parliament and the Canadian people will fully understand the possibilities that can arise under the terms of the bill.

It is government legislation. For that reason it will undoubtedly in due course be enacted by parliament. I have tried to point out today the fact that in the majority of its provisions this bill simply re-enacts the existing law. There are some of its other provisions which will help to mitigate our housing problem today. There are provisions in this bill which, if not wisely and prudently used, could be a source of danger to the Canadian economy. It is therefore necessary that both in this house and in the banking and commerce committee all hon. members should apply to this bill the closest and most diligent scrutiny.

When and if this bill becomes the law of this country, members of parliament should regard it as one of their highest duties to insist upon vigilant supervision over the administration of this measure and over the vast powers it confers upon the Central Mortgage and Housing Corporation and the government. There must be searching study; there must be, it seems to me, an annual parliamentary review of all operations under this measure.

Mr. J. W. Noseworthy (York South): Mr. Speaker, I am sure the house will find relief

in recalling the fact that I have only forty minutes to devote to this bill and that I shall not be able to spend two hours on it as did the preceding speaker.

This bill now before us is, as we are told on the title page, a bill that, when enacted, will become known as the National Housing Act (1954); and we are also told that it is an act to promote the construction of new housing, the repair and modernization of existing houses, and the improvement of housing and living conditions.

Notwithstanding the rosy picture painted for us by the minister when he introduced this bill, I am sure we are all satisfied that there is still ample room for improvement in housing and living conditions in Canada. Even the figures which the minister gave us, and which he summed up by saying we were making considerable progress, do not reveal the true picture of housing conditions in this country. I think the government is to be congratulated on the fact that in 1953 they completed 90,000 houses and started on around 100,000. I think they are also to be congratulated on the fact that at long last they have succeeded in completing in one year enough houses to keep pace with the newly created housing demand. This is about the first year since the housing act was put into effect, and I believe since the end of the war, that the government has in any one year succeeded in building more houses than the newly created demand in any one year.

The fact that from 1941 to 1951 we have reduced the number of persons per occupied dwelling from 4·5 to 4·1 does not convey the true picture as far as overcrowding is concerned. I shall point out later the extent to which I believe this bill fails to meet the need, and I shall have something to say in regard to that need.

This bill introduces certain new principles into the housing act and I presume it is hoped by the introduction of these new principles to solve the housing problem, at least to some extent. Among other things the government intends to terminate the system of joint lending, to insure loans that are made to assist in the financing of housing, and to bring the banks into the mortgage lending field.

The bill represents, I believe, a logical evolution of the present government's housing policy. The government apparently believes and persists in believing that private enterprise can meet our housing needs. The government is determined not to become landlord to any number of Canadians, at least not through the process of building homes for them. It may, however, become landlord to a great many Canadians through the process of mortgage foreclosure. The government is reluctant to become a landlord and apparently is still reluctant to get very deep into the housing business. The government still believes that private enterprise can provide enough houses and provide them at a profit. Private enterprise will provide houses on no other terms. They believe that private enterprise can provide at a profit houses in sufficient numbers and at prices that will meet the housing needs of the Canadian people.

Every change that has been made in the National Housing Act over the years and the changes made in the regulations for the administration of that act have followed that general line of policy. I believe we have that policy carried almost to the nth degree in the bill now before us. Year after year the government has clung persistently to the idea that if we could only make terms with the lending institutions, if we could only grant them terms sufficiently attractive and they could be induced to put sufficient money into the mortgage pool, our housing problem could be solved.

Year after year we have had one concession after another by this government to these lending institutions in the effort to induce them to put sufficient mortgage money in that pool. Year after year every move made by the government in the matter of housing has given first consideration to the lending institutions while the basic need of the Canadian people for houses and the disastrous social effects of the housing shortage have received secondary consideration. Yet, notwithstanding all the concessions the government has made, the government has failed to induce the lending institutions to provide sufficient funds to make any appreciable reduction in the backlog of needed houses. The best that the government has been able to do is shown in this year's report which indicates that the government is barely able to keep abreast with the newly created demand for houses.

It is true that one of the bottlenecks that have created the housing shortage is the shortage of mortgage funds, and apparently the sole purpose of the changes introduced into the National Housing Act by this bill is to try to overcome that shortage with the distinct understanding, I presume, on the part of the government, that if only that difficulty can be met, if only money can be made available for mortgage funds, our housing problem will be solved. Many other factors enter into the solution of the housing problem than the amount of mortgage funds available.

I shall try to deal with some of the principles of the bill. I shall try to present my criticism of them and make what I hope the government will consider constructive suggestions for improvement, although on that latter point I must say that I have not very much hope. First let us look at the proposal to insure mortgages. The principle underlying mortgage insurance is that the lending institutions can receive an insurance payment, in reality a debenture guaranteed by the government, upon the transfer of the mortgaged property to Central Mortgage and Housing Corporation. The corporation is to be empowered to buy insured mortgages from approved investment institutions, and when the Bank Act and the Bank of Canada Act come up for revision insurance mortgages will be made acceptable security for Bank of Canada advances to chartered banks in the same way as government bonds are today.

When lending agencies are insured by the government against investment risk, and incidentally they will be insured by the borrowers who will pay the additional insurance premium, investment companies will no longer have to worry about any loss likely to be sustained through the business of lending money on houses. They can then content themselves entirely with the business of making profits out of the housing problem. Should a loan fall into default the approved lender is then expected to secure title to the mortgaged property and to convey such title to Central Mortgage and Housing Corporation. The approved lender will then be paid in cash 98 per cent of the sum of the principal outstanding at the date of conveyance plus interest up to six months at the mortgage interest rate, or in certain cases possibly up to twelve months, plus the borrower's charges, whatever they may amount to, plus a maximum of $125 for the transfer fee, plus whatever legal expenses may be incurred.

On the whole one of these insured mortgages presents fairly good security to the lending institution. What in effect happens is that the borrower is subsidizing the lending institution against almost the total risk despite the fact that the same institutions will be charging an interest rate which should in itself be a sufficient reward for the risk that these companies take. If the fundamental principle of the free enterprise system, which is so proudly acclaimed in this house by supporters of that system, lies in the expectation of profits as a reward for risk in investment, then this insurance feature which removes the risk seems to create somewhat of an ironical situation for the private enterprise system.

Here we have a government which believes in the free enterprise system and believes that housing should be left as a preserve for free enterprise, which supports the theory that free enterprisers put their money into an enterprise and assume the risk on the basis of some profits, at the same time calling upon the borrower or home purchaser, through an added insurance premium, to secure such private enterprises against risk and loss. Mortgage insurance is unquestionably provided solely for the protection of the lending institutions against loss in the event that a purchaser should default in his payments or in the event of a recession taking place during which recession any considerable number of purchasers may be forced to default in their payments.

There is not the slightest indication in the bill that the government has given one moment's consideration to any protection for the original purchaser of a property. There is no protection whatever for the equity that a purchaser may have in a property when circumstances force him to default and Central Mortgage and Housing Corporation obtains possession of the property. Moreover, I think that the protection provided under these insurance policies is entirely unnecessary. It is unnecessary protection for the lender and it creates an additional cost to the purchaser.

I notice that the government does not want to assume directly the unpopular responsibility of foreclosing mortgages in default. It leaves that unpopular responsibility to the original lenders. Nevertheless, the government becomes, indirectly, a party to these foreclosures. The only possible good that I can see resulting from the protection afforded by the mortgage insurance principle is, as I said before, the unnecessary protection for lending institutions.

Since I presume some such measure as this is necessary if the banks are to be induced to depart from their ordinary practice and put money into mortgages, possibly some new mortgage money will be made available. Whether or not the amount of money the banks can be induced, under this legislation, to put into the general mortgage pool will be more than the government withdraws from the pool by terminating its joint lending policy, or whether it will be enough to make any appreciable difference in the number of houses that will be built, remains to be seen. I notice that the bankers are a bit cagey about going into this business. In this morning's *Globe and Mail*, the president of the Bank of Toronto is reported to have said that it is only to a moderate extent

that it would be prudent for a bank to tie up the funds of Canadian depositors in long-term fixed investments. The president of the Bank of Toronto has a good deal more along the same lines in that speech.

We may possibly get a little more mortgage money. Even if we do succeed in getting more mortgage money into the mortgage pool from the banks, that in itself is not going to solve the housing problem. I do not think it is necessary to introduce this insurance principle into our housing legislation in order to insure the liquidity of the small proportion that the banks are likely to put into the mortgage pool. It has been estimated by responsible authorities that the banks are not likely, in any case, to put more than 5 per cent of their available money into mortgages. I doubt if it is necessary to charge the purchaser of every home an additional insurance premium in order to safeguard that small proportion of mortgage money.

So far as the life insurance companies and trust companies are concerned, they have not been doing too badly in the past so far as mortgage loans are concerned. The fact that this legislation may induce banks to go into the mortgage pool, and even though we may get an abundance of mortgage money, that is not going to make it possible for those in the lower income groups to procure homes. We must take other measures. Even if we extend the amortization period to 40 or even 50 years, and thereby reduce the monthly payment on houses, there will still remain a large sector of the Canadian people who will not be able to secure homes. It is true that by some such measure as that we may be able to make it possible for those in the $3,000 bracket or those in the $2,500 bracket to purchase homes, whereas now they are excluded from that possibility. Even under those circumstances we shall still have well over 50 per cent of the wage earners of Canada unable to purchase homes.

I suggest that instead of terminating the joint lending principle under which the government has been operating in the past the government should, as we in this group have suggested many times, issue loans directly to borrowers through the Central Mortgage and Housing Corporation and set up a special revolving fund for that purpose. I fail to see the need for this government adding to the cost of houses through this mortgage insurance principle, and depending for mortgage money on private institutions. So far as I am concerned, housing is just as great a social need in this country as schools and many other public services. If the government is to meet this need to any extent that will be satisfactory to the people of this country, then I say that instead of getting out of the mortgage business the government should get back into it directly by means of a revolving fund.

In a recent editorial the *Globe and Mail* took members of this house to task for always talking about the housing situation but never really doing anything about it or suggesting anything constructive. According to the *Globe and Mail* one factor in housing that we seem to overlook is the high cost of houses. So far as that newspaper is concerned, the way to reduce the high cost of houses is to reduce wages. Apparently the *Globe and Mail* feels that members of parliament should advocate drastic reductions in wages in the building trades and in other trades in order to bring down the price of houses to within reach of people in the lower income brackets. We in the C.C.F. have suggested before one means of reducing the cost of houses to purchasers, and that is a reduction in the interest rate.

I have pointed out a number of times in this house that a reduction of 50 per cent in the interest rate will do more to reduce the carrying charges on a house than a 50 per cent reduction in the cost of labour and materials.

Again, we criticize this bill because no fixed interest rate is stated. The interest rate may vary, and apparently it may go as high as 5¾ per cent or even 6 per cent. Again I suggest that the government should make money available for housing at not more than 2 per cent. That, in itself, will do more to reduce carrying charges on houses, and to make houses available to those in the lower income groups, than any other measure we could take.

If the government wants to maintain the present interest rate, then I suggest that it should subsidize the interest rate on housing, as a social service to the country, or at least that it should subsidize the interest rate on housing below a certain cost, in order that, through that means, we may make houses available to more people in the lower income groups. If the government does not want to subsidize the interest rate on housing, then I suggest that it use the facilities of the Bank of Canada to provide money for housing at the rate of 2 per cent.

I see no reason why the limitation of $8,000 should be placed in the bill before 90 per cent of the lending value can be secured. I suggest that instead of limiting the 90 per cent lending value to $8,000, that figure should

be raised to $12,000. Today it is practically impossible to purchase a bungalow in the Toronto district for much less than $12,000. I suggest the act should permit a loan of 90 per cent on houses with a lending value up to $12,000. If the government would agree to a lower interest rate, then I would be all in favour of a longer amortization period than is provided in the bill.

There is no new change in the legislation, so far as low-rental housing is concerned. Low-rental housing presents one of the great needs of our time. There are and there will be a great many people who just cannot afford to buy or to build homes, even under the most favourable conditions. There are and will continue to be many people who will have recourse to renting homes, if they are to have homes at all. And for that lower income group who cannot afford to buy or to build homes, I suggest that the government should establish a rental subsidy fund.

The present legislation provides means whereby the government may enter into partnership with a provincial government or a municipality in sharing the cost of building and the cost of maintenance. However, I can find nothing in the legislation whereby the federal government undertakes to make any provision for a reduction in the rent below the economic level.

If those houses are to be available, then they must be available to the people on the basis of their income, and not on the basis of an economic rental. Somebody must then be able to make up the difference between the rent charged and what would constitute an economic rental. I suggest that if the government is to meet the low-rental housing problem, it should set up a low-rental subsidy fund for that purpose.

One of the drawbacks in connection with housing, as the hon. member for Eglinton (Mr. Fleming) pointed out, is the difficulty that municipalities have in providing serviced land and schools for new subdivisions. I suggest that any legislation which attempts to meet the present housing need should make some provision whereby the federal government could come to the assistance of the municipalities, through the provincial governments, for the building of schools and the provision of serviced land.

So long as we fail to face up to this problem, the municipalities will remain very reluctant to participate in the provisions of the act which are made available for that purpose. I have no particular objection to Central Mortgage and Housing Corporation undertaking to fix the appraisal value of the loan. As a matter of fact I think it is likely to work out much fairer than the present arrangement. I have heard builders say that they find, by experience, it is much more satisfactory to deal with Central Mortgage than to deal with the private lending institutions. In spite of all that has been said about government red tape, as applied to Central Mortgage and Housing Corporation, experienced builders have told me that there is far more red tape in getting a loan through private lending institutions than when dealing with Central Mortgage.

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. Noseworthy: Mr. Speaker, before the house rose at six o'clock I had attempted to show features of Bill No. 102 to which I objected, to give reasons for my objection, and to put forward certain constructive suggestions which in my opinion would serve to meet the needs of Canadian people with regard to housing.

I shall now take the few minutes remaining to give a summary of these suggestions. My first suggestion was that the principle of mortgage insurance be rejected on the ground that it imposes an unnecessary burden on prospective Canadian home owners and unnecessary protection to finance institutions. I have no particular objection to the banks going into the mortgage business if they find it profitable to do so.

My second suggestion is that instead of withdrawing completely from the lending field in favour of private enterprise the government, through Central Mortgage and Housing Corporation, should issue loans directly to the borrower and should set up a special revolving fund for that purpose.

My third suggestion was that such loans should bear a fixed interest rate, and not be tied to a varying factor as is the case in the bill.

My fourth suggestion was that that fixed interest rate should be 2 per cent, a rate which we in the C.C.F. have advocated in this house and which we advocated on the hustings during the election campaign. I suggested that in order to achieve that 2 per cent interest rate the government might either use the facilities of the Bank of Canada or subsidize interest rates for houses, particularly for the lower priced houses.

My fifth suggestion was that the amount of the loan should be 90 per cent of the lending value up to $12,000, instead of the $8,000 imposed by the present bill.

My sixth suggestion was that, provided that the interest rate is lowered, the amortization period be increased to 30 years instead of 25 as is proposed in the new legislation.

My seventh suggestion was that in order to provide for those Canadians in the lower income brackets who cannot afford to buy or build houses, even under the most favourable conditions, the government should set up a rental subsidy fund which would assist in establishing a sharp reduction in the present rate of rent for those particular Canadians.

My last suggestion was that the federal government, in order to assist municipalities to take advantage of the provisions of this bill, should make grants to the provinces to be turned over to the municipalities for the purpose of constructing schools and other public facilities which are a heavy expense at the present time on the municipality wherever a new housing project is undertaken.

I might add that I have no particular objection—as a matter of fact I welcome it—to the change by reason of which Central Mortgage and Housing Corporation undertakes to carry out inspection of houses built with the aid of loans under the National Housing Act. Much of the criticism which I have heard about the houses built under the National Housing Act originated from the improper or inadequate system of inspection which is carried on at the present time. I have met numerous purchasers of houses who have complained of the fact that the houses which they bought were not built up to Central Mortgage and Housing Corporation standards. I have raised that question with Central Mortgage and Housing only to be assured that this inspection is left to the lending institution. I am quite confident that under Central Mortgage and Housing inspection we shall have a more satisfactory and a better system of inspection that will be in the interest of the buyers.

These are the constructive suggestions, Mr. Speaker, which I submit as alternatives to the measures contained in the present housing bill.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, frequently of recent date we have been accused by government members of not congratulating them on things that they have done. It was possibly an oversight on our part. We were so used to hearing them congratulating themselves that we did not think it was completely necessary. However, at this time, I do congratulate the minister on bringing in such a fine piece of legislation; that is, in recognizing the need of reform in this particular legislation, and on dealing with it so well and so completely, and, if I may say so, so briefly.

I should also like to congratulate the hon. member for Eglinton (Mr. Fleming) on doing such an excellent job of providing a summary of what the minister gave us, but at some great length, and in such a way as to show the pitfalls into which we may find ourselves were we to adopt this particular scheme.

I would also congratulate the hon. member for York South (Mr. Noseworthy), who, in his particular case, recognizing the fallacy of the socialistic way of doing things, apparently is even willing to allow our borrowing money from banks at 2 per cent interest.

On three vital points that interest me I think the minister is to be commended. First, the government recognizes the vital need for housing. Second, the government recognizes the need of improving older homes. Third, the government is trying to provide means of financing those homes. I think those are three most important essentials.

However, the object of an opposition is, first, to be critical because we have to protect the taxpayer; and, second, to suggest alternatives to what is proposed.

I am led to believe from the bill that the government probably has read certain press clippings in which frequent mention was made that incomes and savings are up. We know that incomes are up. There is no doubt that the wage earner in Canada earns more money today than ever before. But we are told also that 83·4 per cent of the population of Canada earns less than $3,000 a year.

However, the purchasing power of the dollar is down to less than 50 per cent. Savings may be up, but it is not the little man, it is not the millworker, it is not the clerk, it is not the dock worker who has the money; it is the fellow who had a little extra money beforehand that has some today. But he has not enough to invest in a home and the minister recognizes that fact by lowering the down payment.

I submit that the down payment proposed in the bill is still too high. The down payment of 10 per cent on the first $8,000 is quite equitable, but when you start adding 30 per cent above that it results in just too much money for the ordinary individual. The need for housing is quite apparent. For instance, I have a clipping from the Ottawa *Journal* of January 14 which tells of a family of four

in Brockville who were nearly frozen because they had to live in a tent. Hon. members probably saw that article. Then to go to the Pacific coast, I find the following in the *British Columbian* of Tuesday, January 12, 1954:

Family offered basement

The plight of a Dutch immigrant family of eight threatened with eviction from their small Surrey home has been answered by a Burnaby resident.

I am happy that the hon. member for Burnaby-Richmond (Mr. Goode) and the hon. member for Burnaby-Coquitlam (Mr. Regier) are both here to help in providing a residence for this family.

Mr. Regier: I am very kindhearted.

Mr. Hahn: The municipality will have to pay for the social services provided to this family. The article continues:

The family of Martin Hienan, 42, of 1974 Baldwin road, his wife and six small children, were due to be evicted from their home Monday, because they could not keep up the payments on their tiny dwelling. Because of Mr. Hienan's illness eviction has been stayed a week.

Mr. Hienan, a qualified accountant, has been unable to find permanent employment since arriving here with his family two years ago.

It will be noted that the eviction was stayed because of illness, which in turn was probably caused by lack of employment. Those two factors should play an important part in any housing bill and I hope the proposal which I will have to make later will be of some value.

I received, as I think most British Columbia members did, a letter from the acting mayor of the city of Vancouver enclosing a brief which had been sent to the Minister of National Health and Welfare (Mr. Martin), and which I think was formally sent on to the Minister of Transport (Mr. Chevrier). That stated:

There are a number of senior citizens whose means do not permit them to pay an economic rent for housing or accommodation suitable to give them adequate comfort in their declining years. Of these there are some 8,000 in the city of Vancouver alone.

I think we all realize that there is a tremendous need for housing. These three illustrations, all of recent date, indicate, as the minister suggested earlier, that we should get this bill into committee as quickly as possible so that we can deal with it more completely. I contend that housing conditions such as these should not prevail in a country like ours.

If I may digress for a moment I should like to indicate the growth of housing in the area which I represent, and when I refer to housing I do not mean under the National Housing Act. I want to tell of what has been done by the little fellow, the man with whom I am so familiar. Following the war many of these men wanted a home; they needed accommodation but they could not afford to buy a home under the National Housing Act. Many times the man in this category found that his wages were too low. He did not have job security. He did not have enough money to make a down payment. As the result of those factors he built a cheap domicile of some kind. But by so doing he depreciated the value of the surrounding properties, and that is an important factor. The values of those homes are still being depreciated on the resale market. If this man had built in a shack region he would simply be helping to build up a slum area.

That man's present needs are enhanced because his house has deteriorated. Most likely he was a married man, and in all probability his family has increased and he requires more space. At this point I should like to give credit to the builders of British Columbia, particularly the supply houses, who foresaw this difficulty and took it upon themselves to try to help those people by offering service loans up to $2,000.

However, the rates of interest were exorbitant, and the time of repayment being a matter of two years, it was impractical and it is impractical today so far as these people are concerned. They are not wealthy and what they receive from their work is not sufficient to permit them to repay such a loan, as well as taxes and other expenses they may have.

As I read the bill, it contains an arrangement whereby a man building a home may do some work on it and can apply that to the loan. The bill is not too clear, but I wonder whether or not the man who was constructing a home could work on that home himself and have that apply on the down payment, or at least a certain portion of it. I think that might be worthy of consideration.

As I said earlier, the down payment is still too high. The Vancouver *Province* of January 5, 1954, carried the results of a questionnaire which had been sent out by a fact-finding committee. The purpose was to find out what the people on the Pacific coast were willing to pay for homes. Here are some pertinent facts with regard to the rate of interest. An article in the Vancouver *Province*, dated January 5, 1954, states:

It is quite evident that one cannot get much of a house for even $10,000 plus the lot at today's building costs, which, again, is inflated owing to lack of serviced land.

Earlier the article states:

The present proposal "is not the answer for those in the lower income brackets because our building by-laws do not permit semi-detached or row housing here."

It goes on:

. . . the act should be based on a straight 10 per cent down on $12,000 to be of use to the average citizen.

In a questionnaire published the same day in the same newspaper certain suggestions were made and members of the public were invited to answer this questionnaire. For example, the first question is:

In your opinion should the municipalities and the federal government jointly finance clearing and servicing of land making reasonably priced building lots available under the terms already provided for in the National Housing Act?

The answer given on an average was: Yes.

The final tabulation of these facts and figures on this question has not yet been completed but the trend is shown and that trend is "yes". There is one feature we must definitely consider and that is the matter of exploitation. Exploitation must be stopped. The workingman, or any man for that matter, intent on building a home should not have to pay an exorbitant price for a piece of property, nor should he have to pay more than the lumber and building materials were worth to start with. That does not mean that a businessman should not get his proper rate of profit. No man can live without profit. The workingman would not have a job unless the businessman had his profit. But we must see to it that the buyer is not exploited.

The second question was:

Has the high down payment barred you from home ownership?

The answer is "Yes".

As I said earlier, the minister is to be congratulated on reducing the down payment, although I do not believe he has reduced it far enough. The third question is:

If a lower down payment results from the changes in the National Housing Act do you intend to build?

The answer again was "Yes". I would therefore expect, Mr. Speaker, that the act will be used to full advantage in the city of Vancouver. The fourth question was:

What is the largest amount you can afford for a down payment?

The figure arrived at was $1,200. I do not know how many hon. members are in business but I left my business to come to Ottawa to help look after the nation's business. I was in the credit business and I always found that if a man asked for a loan of $50 he could only afford to repay $40. Most people overstep the mark and if they say they can afford a $1,200 down payment, then it is almost certain they can afford only $1,000. Their imagination runs away with them and they overlook the fact they have other things to consider besides the down payment.

The next question was:

What monthly repayment could you afford?

The answer in this case was $55 to $60.

In this instance the same comparison applies. If they cannot afford $1,200 as a down payment, they cannot afford $55 or $60 a month either. It is true many people are paying that amount but they cannot afford it. Their homes are suffering. The average wage earner does not get enough per month to be able to afford a repayment of from $55 to $60 per month, and it is quite certain that most of these people have not allowed for such incidentals as roofing repairs, painting that may have to be done, or even income tax and medical expenses.

As regards a question of inflation, there is one factor here we should note, particularly in regard to the down payment mentioned earlier, and that is that the Americans provide homes for a down payment as low as $500. I do not know whether the minister and his colleagues have studied the United States housing plan, but I imagine they will have done so and I hope that as a result of their investigations we can expect lower down payments than are proposed under this act.

One of the most important things in life so far as owning a home is concerned is the fact that we must have security in tenancy. By that I mean that an owner must feel assured when he buys that he is going to be able to hold on to his home. He does not want to be constantly haunted by the fear that he is going to lose it at any time. I am very pleased to see that the amortization period may be extended from 25 to 30 years because that is one of the factors that will decrease monthly payments.

One other factor to consider is the rate of interest. It was dealt with in some degree by the hon. member for York South (Mr. Noseworthy). The rate he suggests is 2 per cent. I imagine in this particular instance he was referring to something that is true only of the Social Credit province of Alberta where they have a 2 per cent revolving fund which is used to make community projects self-liquidating. I do not believe that is necessarily true in this instance for the simple reason that under the housing scheme now proposed the banks, which are privately owned institutions, must have some degree of profit. They exist on profit.

Under the proposal as it now stands we have an insurance scheme which will guard them against any loss; but if we are going to allow them something I think it will have

to be a little more than 2 per cent, because 2 per cent will probably not pay for the cost of handling the funds.

I do not know where the hon. member got the 2 per cent figure from, but I do know that in all likelihood the facts will prove that the 2 per cent charge is not sufficient to cover the cost of handling the large sums of money to be used.

However, let us suppose we give the banks a profit of 1½ per cent plus the other 2 per cent which would give them 3½ per cent. One hundred thousand units built, not at an average cost of $10,700, but at $10,000, would give the banks a net profit of $15 million. I know $15 million is not a good return on an investment of $1 billion as far as the businessman is concerned, but the banks owe something to the Canadian people. They must recognize that fact. As a grocer I would be expected to have a certain range of loss leader goods and if I did not have them people would walk down to the nearest chain store to get them. As a garage man I am expected to give free air. In the same way the banker is expected to do something more for the people than just to take a profit. Opposed to this 3½ per cent we have the suggestion that the interest may be as high as 6 per cent. That would mean something like $60 million profit for the banks on an average $10,000 home, 100,000-unit project. That would be the regular rate of interest. Mind you, I do not think the rate will be that high. I think it was mentioned that was considered too high a figure and therefore should not be the one to be used.

I think all hon. members are conversant with the saying of that famous statesman who said, some years ago, "Give us the tools and we will finish the job." We have the tools and we have the job. Apparently all we lack at the present moment is the initiative to put the two together with a few millions or billions of dollars to complete the job. There are statements by certain individuals of national stature which we must refute. I would refer to one, R. E. G. Davis, director of the Canadian Welfare Council, who said, as reported in the *Financial Times* of November 26, 1953:

> The shape and composition of our towns and cities at present, and of our new neighbourhoods springing up overnight in the suburbs are being determined not by any rational consideration of how to provide the best living conditions for people, but almost solely by what will bring the largest profit to the building and shopping interests that have the development in hand. We shall never make progress so long as this situation continues and one of our first objectives must be to see it is quickly brought to an end.

Hon. members will notice these words—"almost solely by what will bring the largest profits to the building and shopping interests that have the development in hand." It is very important that we should protect ourselves against anything like that, and statements of this type must be challenged. It is a simple matter to tear things to pieces but it is quite a different thing to try to improve them. Therefore in this particular case I have a suggestion that I should like to pass on to our good friend, the minister. It is one that was adopted by another country, and undoubtedly the minister has studied it. He may even have a complete answer to the reason it has not been considered at greater length.

I speak of the experience of Brazil. Between 1933 and 1940 Brazil had a nation-wide depression similar to ours, and private enterprise Brazilian builders carried out this plan. They formulated a housing project that has resulted in between 70 and 75 per cent of the people of Brazil owning their own homes today compared with the figure of 65 per cent quoted for Canada. This result was achieved during the time when Brazilian banks were paying 7 per cent on demand savings. At that time I believe our Canadian banks were paying 3 per cent. I am not sure, but I believe that is the figure. All the bankers, builders and everyone else concerned in the project in Brazil made money. That is a very important feature; everyone concerned made money. There is a distinction to be made between the lending of money already in existence and the creation of new money. The minister knows that in Canada new money is created practically at will. Every time we have a large wheat crop we get an additional crop of new money with which to purchase the surplus immediately. Mind you, that is not true today because we cannot sell all of the surplus to ourselves. But during the years when we had elevator space available new money was created to help business along and look after it properly.

The secret of the success of the Brazilian scheme lies with the Brazilian government itself. Instead of waiting for the people of Brazil to borrow money from private interests, the Brazilian treasury issued certificates which we might compare to deposit certificates. These certificates were equal to the value of the materials and labour involved in the particular housing project. We must first remember that the purpose of the whole scheme was to take care of the unemployment then prevalent in Brazil, and there was

also the factor that they had such a large surplus of goods on hand which they wanted to get rid of.

These deposit certificates were handed to the chartered banks and the chartered banks loaned them to accredited contractors at a rate of 2 per cent. At the same time the savings banks were paying 7 per cent the chartered banks were lending this money to builders at the rate of 2 per cent. The builders constructed the buildings and in turn sold them to the prospective buyers who repaid the chartered banks the actual cost of the homes on a monthly basis plus a 2 per cent carrying charge. This plan put people in Brazil back to work, as it was supposed to do. It also solved the housing problem. Houses are the means whereby we stabilize the economy of the country, and if the depression that some people seem to expect should become a reality we might well consider having such a project.

In a matter of ten to fifteen years prospective Brazilian home owners had become home owners. There was no down payment involved in the scheme. It might be asked what the banks did when the loans were repaid. They sent the certificates back to the treasury which destroyed them. We find that in that instance the people of Brazil used their labour and surplus materials to excellent advantage without its costing them an exorbitant rate of interest such as the 5½ per cent rate we have today, or 6 per cent, as the case may be. I am reminded of a statement made earlier that the interest rate is not a fixed rate. I believe it should be fixed because the prospective home owner entering into negotiations should know what he is going to have to pay.

Under the Brazilian scheme 2 per cent was the cost of handling the certificates, and perhaps our banks should do the same thing in an identical fashion. We have the institutions already in existence. We need homes, and we have the materials. H. R. MacMillan, the lumber magnate of the Pacific coast, said the other day that we have no market for our lumber. I do not know whether or not everyone realizes it, but the British Columbia export business is built on a basis whereby no country takes more than 10 per cent of our export surplus for its home market. Such an amount would mean nothing as far as the market requirements of any foreign nation are concerned, and we could very easily lose such markets completely if these countries chose to reduce their imports from Canada by 10 per cent.

Now, Mr. Speaker, I believe I have put the case very clearly in so far as the proposal I have in mind is concerned. I would go on to summarize my ideas in this way. First and foremost, we must curb inflation in building costs. It is necessary that the price of homes stops rising, and that we keep that price at a level which everyone can afford. I should like to impress upon the minister also the need for allowing the value of the labour used in the construction of these homes to be construed as a down payment. It is necessary, too, to ascertain whether or not it is possible to reduce the interest rate from the 5 per cent or 6 per cent that is suggested to a nominal figure such as 3·5 per cent.

I know that under the insurance scheme, which I have not discussed, it is going to require 2 per cent to carry the insurance premiums, and there would be an additional 2 per cent to cover the cost of operation of the banks, so that might mean a total of 4 per cent. I believe, however, it is the purpose of the banks to look after the community and to help in the building of Canada which is so essential at this time. I would ask in all seriousness that not only the minister but everyone in this house study very closely the Brazilian method of building homes from 1933 to 1940, when they actually kept their unemployed busy and got rid of their surplus goods by monetizing the wealth of the nation.

Mr. J. E. Brown (Brantford): Mr. Speaker, I should like to say a few words in support of this bill, the purpose of which is to promote the construction of new homes and improve the living conditions in this country. During the last election campaign I promised my own constituents of Brantford that I would press for new legislation of the kind that is now before us. I note that the government, in its appeal to the people for support, did not make any promises whatever along those lines but I felt a keen personal interest in the whole matter and allowed myself to go on record in favour of a new housing act.

I believe that the government is to be congratulated on bringing forward this bill so early in the session after the last election. The legislation which is before us, and which will replace the National Housing Act now in force, is breaking new ground in Canada so far as progressive legislation is concerned. In my view what we are embarking upon is a forward step, and it ought to have far-reaching and beneficial consequences. We are all agreed on one thing—at least I do not believe any member in this house doubts it—that there is still a need for more and better housing in this great country of ours. The question is, does this legislation meet our needs; and, more important still, is it sound?

Some hon. members might feel quite sincerely that the bill does not go far enough,

and in particular that a flat 10 per cent down payment should have been provided on every house constructed under the act costing up to $12,000 to $15,000. Upon first consideration, I might have been of this view, but on sober second thought, Mr. Speaker, I sincerely believe that the provisions contained in the bill are sound; that the legislation is wise and ought to be supported. We are engaged in a new venture. The government is striving to place some of the available credit of the country behind the man who is embarking on that greatest endeavour of all, the founding of a home of his own. Most of us in the house, I am sure, believe that the great majority of Canadians ought to own their own homes. In my view this is of necessity a basic feature of our society.

If Canada is going to be great and strong, strong at home and abroad; if we are going to make a contribution to the world of today; then this nation of ours must be a nation of home owners. If a man can own real estate, part of the soil of Canada, and construct a house thereon under the provisions of this act, he thereupon has a genuine stake in the welfare and future of our country. This is one of the reasons this bill is so important, and why its effects may be far-reaching.

Most of the young men and women of our land need the assistance of some form of credit in order to establish themselves in life. That is what this bill provides. I do not think the majority of young men and women in Canada want handouts from the government. They need assistance in the form of loans which they can pay off. They want to own a home of their own, and to pay for that home. In this way they hope to acquire a little independence of that type which has been enjoyed by our fathers and forefathers in this country since the beginning. For this reason, Mr. Speaker, I am going to support this bill. I believe it to be a move genuinely designed to promote home ownership from one end of the country to the other.

Does this legislation go far enough? In the election campaign I suggested a 10 per cent down payment be made available. Now, that has been done in this act. If a man desires to construct a $12,000 home or a $16,000 home, would it be wise for him to borrow up to 90 per cent of that large sum? Could he afford to keep up the resultant heavy monthly payments under such a scheme? Should this government give him encouragement by providing in this bill for his doing so? I do not think so. Would it be wise for any man to assume an obligation that would take a period of more than 25 years to amortize under normal repayment terms? Should the government have encouraged him to do that? Again, I say I do not think so.

What concerns me in connection with this bill is not reducing the amount of the down payment below what is provided or extending the term of tenure of the mortgage. What is concerning me is this: will the bill result in loans becoming more available to the average citizen? That is the question which is paramount; that is the question on which this bill should stand or fall.

The trouble in the past has been, at least in my view and in my experiences from day to day in a law practice, that satisfactory loans have been too difficult to attain. The provision in this legislation to make available insured loans, through the banks, in my opinion should open the door to much greater credit facilities for the average man and woman in Canada.

I do not think the bill should be opposed simply because some of its terms do not satisfy some hon. members. Let us give the legislation before us a fair trial for, say, two years, thus giving at least an opportunity to ascertain if in practice it will have the effect we want it to have, and that we hope it will have.

If housing loans become more available to the general public than they have been in the past, then this bill will have amply fulfilled its purpose and will have justified the basic idea which prompted the government to bring in the legislation at the present time.

Like many other hon. members on this side of the house I was very much puzzled and, indeed, shocked by the speech of the hon. member for Eglinton (Mr. Fleming), who spoke on behalf of Her Majesty's loyal opposition. I am sorry he is not in the house tonight. It is not for me to comment upon the speech of one who holds the esteem of all parties in the house, and who is a very powerful figure in the Conservative opposition. But it was impossible for me to ascertain whether he and his party were for the bill or were against it.

At any rate, it may be that he and his party have not quite made up their minds. He did utter some valuable warnings as to the possible results which might ensue from the passage of the bill, but he offered no substitute and brought forward no other proposal on behalf of his party to take the place of this legislation.

Returning to the bill, I am glad that it will make possible a better service than has ever been available before to the residents of small centres and remote communities across Canada. It is a great forward step.

Instead of having to deal by correspondence with lending companies, the people will be in a position to consult the nearest branch bank manager, and to talk over their problems with him. This will be a great convenience.

The hon. member for Eglinton thought that the banks would not co-operate; I think they will. I believe that it will be of the greatest convenience to the people who live in the remote communities and smaller centres in our country. I have in mind, in particular, my own good city of Brantford, which I am proud to represent in the House of Commons. Then, we also have people in the township of Burford, a truly splendid community in my constituency, who, I believe, will be vitally affected by the passage of this legislation. In spite of what the hon. member for Eglinton has said, it could be that they will be able to go to those two historic little villages of Burford and Scotland, and there discuss with their bank managers the vital problem of housing, which concerns all those people.

The people in these communities are in my view the very backbone of Canada. They are sure to derive lasting benefits from this legislation. I hope that when the measure reaches the committee stage the individual sections will receive careful and thorough study, particularly with respect to the provisions relating to interest rates.

I repeat that the government ought to be congratulated upon bringing forward legislation of the kind proposed in this bill. In my view it deserves and eventually will have the support of a large majority of members in the house, of whatever party, who are sincerely desirous of promoting the well-being of our country in a substantial and material way.

(Translation):

I want to conclude my remarks in the beautiful tongue of my French-Canadian colleagues, whom I have been so happy to know since my arrival in Ottawa.

In my opinion the bill now before the house should obtain the support of the majority of hon. members. I see in it a sincere effort on the part of the government to help the man who would like to start on the most important undertaking of his life, that of acquiring his own house and establishing a family.

I am confident that this measure will contribute toward increasing the possibilities open to Canadian citizens and widening their horizons.

(Text):

Mr. R. H. Small (Danforth): Mr. Speaker, when I first read the outline of the bill I was under the impression that its purpose was to promote the construction of homes as well as to improve housing and living conditions. I had been led to believe that within its framework we would find the means whereby the government would place the purchase of homes within the reach of low income families, and make it possible for them to grasp this offer of help.

This bill, heralded as a boon to ameliorate the plight of the family in the low income group, that vast host of our population in which the heads of families are receiving incomes less than $3,500 per year, does not measure up to what we had expected. Because of its many financial gyrations, the results of the bill must remain elusive.

After listening to the minister's comprehensive explanation of the proposals contained in the bill, it now becomes obvious that its paramount object and intent is to procure a greater reservoir of money to be made available for loans. It would seem that the chief concern in framing the bill has been to persuade those with funds—in this instance the banks—to enter an arena of financing from which heretofore they had been barred.

It now becomes evident that the banks were reluctant to take this step, and we now see that they are being catapulted into this service. They have been lured into an acceptance of the situation through a process of making the major proposal attractive to them through the introduction of the new feature of insuring loans on terms of a 2 per cent payment, single premium. This is payable by the purchaser and is to be included in the monthly payments, thus making the attraction more effective.

Let us now pay some attention to the individual for whom the bill was devised. I refer to the purchaser in the low income group. We see at once how he has been manoeuvred into the position where, unless the government can be induced to re-admit him to the benefits involved, he cannot enjoy the provisions planned for him.

Under the present act—and I have been unable to find anything in the new proposals that removes the frustrations that the purchaser, who is in the income group earning below $3,500 a year, has encountered—the situation is this. Take the figure the minister has given, $10,000, as the price of a house, with the down payment of 14 per cent or $1,420, with the balance of $8,580 to be borrowed and the loan processed at 5¼ per cent, amortized in 25 years. The amortization schedule for this loan is $5.96 a month per thousand, amounting to a monthy payment of

$51. The rate on the same loan amortized at 30 years is $5.49 a month per thousand, or $46.70 a month.

The same figures for a $12,000 loan, which is the lowest price of a home today, works out, with the down payment of 14 per cent, at $1,680, with a balance of $10,320 at 5¼ per cent to be amortized in 25 years at $5.96 a month per thousand, or a monthly payment of $60.38. When amortized in 30 years at $5.49 a month per thousand, there is a payment of $56.50 a month. To these payments of $51 and $46.70 a month, amortized at 25 and 30 years respectively on a $10,000 home and payments of $60.38 and $56.50 a month amortized at 25 and 30 years respectively on a $12,000 home must be added the insurance charge to secure the lender's loan. There must also be added the taxes, say $180 a year, or $15 a month extra.

The house will note that these payments range from $46.70, $51, $56.50 to $60.38 per month, with $15 for taxes and 60 cents for loan insurance to be added, and are to be paid from an income below $3,500 a year or a maximum of $70 a week. This is where the frustration is brought about.

The lenders will not lend unless the purchaser has an assured income of over $4,200 a year, or $80 a week. Therefore, unless the present impediment is removed and the salary requirements are made favourable to the low income purchaser, this much-heralded bill becomes futile so far as it affects those for whom it was supposed to be designed. I will go one step further and predict that if you put a favourable salary requirement into effect for the low income group the price of the resale house will automatically come down.

Now, while I am on this phase of it I may say that I cannot see why the purchaser should be called upon to pay the single premium to insure and secure the loan advanced by the lender. I think the lending organizations would be willing to pay for the added protection. However, the amount is insignificant when spread over 25 or 30 years. Nevertheless, if you can set up a provision such as this for the lender, then the mechanics of the operation can be set up in favour of the purchaser for the same 2 per cent payment of a single premium, to be paid in the same way by the purchaser as he does for the insurance on the lender's loan. It will give a break to the one who has to carry the burden of the quarter of a century ahead in establishing a home, and it will give peace of mind to his family, keep a roof over their heads, and give added security should misfortune overtake the breadwinner.

I say this because the burden on the purchaser seems to be given the least consideration in this bill. All the other considerations are given to those who are going to benefit the most from the profit that is to be obtained from it. The man who seems to be forgotten in this bill is the one that I should like to draw to the attention of the minister, to see if something can be done to permit him to purchase a home.

As I say, the bill was originally designed to help the purchaser; but when these restrictions are placed upon him, it means that when a man goes to purchase a home he is confronted with a situation of such magnitude that he cannot possibly get loans from the lending companies. When I asked the minister questions when he first introduced this bill that was the thought that I had in mind. I was thinking of the individual who is in the low income bracket and who I hoped would secure the benefits of this bill, which have been denied to him. I should like the minister to study this matter further to see if he cannot find some way of reducing the salary requirements insisted upon by the lenders and give a prospective purchaser the advantages intended.

Mr. Erhart Regier (Burnaby-Coquitlam): I regret that when I spoke in the house last fall I was unable to do as many other hon. members did, namely, to spend a few minutes speaking of the beauties of the area that I represent. One of the reasons why I was unable to speak in that vein was the policies of the government in regard to housing. My riding consists partly of hundreds and hundreds of tar paper shacks, and I lay the blame —I think fairly—on the shoulders of this government. The suburban ridings have been most harshly discriminated against in the matter of housing legislation. The housing legislation where it has helped has helped the larger centres of population.

I feel that the old policies of the government were not sufficiently aggressive, and I notice that not only do we in British Columbia feel this way but so does Quebec. I noticed in the report of the Quebec board of trade to the royal commission of inquiry into constitutional problems the following on housing:

> The home building policy of the federal government is not sufficiently aggressive and the shortage of housing units is still being felt.

We had another admission this afternoon from the minister that out of 105,000 houses that he thinks were built last year, only 40,000 used the facilities of the National Housing Act. In other words, more than one-half of the new housing units that were built in Canada were built without using the facilities of the National Housing Act.

National Housing Act

The National Housing Act was designed to make it easier for people to build houses. If it really were fulfilling this function I maintain that the percentage of houses and of housebuilders using these facilities should have been much larger.

The statement was made that for the first time we have been able to build as many new houses as new family units have been formed. That statement ignores the fact that in large areas of Canada we have now reached the stage where thousands of old houses are no longer fit for human use. That statement is subject to many qualifications. I hold in my hand an article which appeared in the January 16 issue of the *British Columbian*, a daily newspaper. The article says:

> While there is slightly less substandard housing in the greater Vancouver area than there was at the end of the war, the total building program has not kept pace with new family formation and the influx of new families to the area: twenty thousand units short in 1945, housing accommodation falls even farther behind local needs today, particularly for low income families.

That is the consensus of opinion of the Vancouver Housing Association, which is a Red Feather agency. There is an admission in the Vancouver *Sun* of January 9 that in the Vancouver area housing has reached its second lowest point since 1947. It was stated that, in the Vancouver area, of the $50 million odd that went into new construction last year only $11 million or some 23 per cent went into housing. That percentage is far too low at a time when housing is of such paramount importance. To think that upwards of $39 million should go into other building while only $11 million went into housing!

I notice that the pinch is being felt not just in the larger urban centres. Right after the war every urban centre was faced with a serious housing shortage, but now from one end of Canada to the other every little hamlet, community and village has a housing shortage. The situation has not improved, it is getting worse. This is what has happened at a time when there is such a growing social need, at a time when we need to consume more in our dominion, at a time when we have surpluses of all primary materials, of inventories; at a time when there has been a slow-down in exports and when our national production is up. We are faced with a situation where housing difficulties are becoming worse. Every policy of this government should be aimed at using up more consumer goods by filling the need for homes.

I note the statement that the old National Housing Act was successful, but I cannot agree with that. It was not successful either in the joint lending set-up or in the other sections. There was an arrangement for direct loans by Central Mortgage and Housing Corporation which has been referred to in glowing terms. However, I found throughout rural British Columbia that the common complaint about these direct loans was the long delay in servicing the loans. People had to wait half a year or more before a man even came out to look at their lots. That is hardly good enough.

If the hon. member for Brantford (Mr. Brown) thinks that by using the banks the people in the smaller communities will be helped he had better have another look at the bill. This bill will make loans even more subject to the approval of Central Mortgage and Housing Corporation.

The old act contained several provisions with regard to low rental housing and there was a section devoted to research. I maintain that on the whole those sections have been miserable failures. They have not been utilized to anywhere near the extent envisaged at the time the act was introduced.

A plea has been made that there should be a two-year trial of the new legislation. I submit that if we are going to have a breakdown in housing for two years, that is two years more than the Canadian people would like to see.

Reference has been made to the effective demand for housing and considerable weight seemed to be attached to that. I hope that before this bill passes there will be a clearer definition of what is meant by effective demand. Does effective demand refer only to those people who do not need the help of the government in connection with building homes or does it refer to those who really need homes?

The contention has been made that the housing scheme worked shortly after the end of world war II and then the Korean war came along and the rate of new house construction declined. It is admitted by those who are in the housing field that there has not been the upsurge since that there should be in this industry.

I am not one of those who like to be branded as irresponsible, who are ready to advocate anything. I realize that if we are going to build the 200,000 homes per year, which we must have as a minimum, the money must be found. I maintain that the only source of money is the increased purchasing power of the Canadian people. You can talk all you like of monetizing the nation's wealth, but the only thing you can monetize is that which has been obtained after labour has been applied to raw materials and the resulting product has not been

consumed. That is delayed purchasing power and it is the only money that I have any faith in.

Irrespective of the conditions that have been laid down, I feel that the government is attempting to pull out of this housing dilemma in a very odd way. They are hoping that Canadians do not know enough of this business of money to be able to lay the blame where it rightly belongs. I think they are hoping to use the chartered banks of Canada several years hence as a scapegoat and lay the blame on them for their unwillingness to do their share.

The hon. member for New Westminster (Mr. Hahn) outlined the plan for finding money that was exercised in Brazil. I was glad to note that he did not use Venezuela as an example, which at one time was held up as a model of Socred monetary theories. We now find that that is one of the worst authoritarian regimes in existence and they have now turned to one of the neighbouring nations and are using Brazil as an example. I noted the statement that if we have a depression this government might well consider a similar method of financing housebuilding in Canada.

The C.C.F. has always maintained that, in times of depression when those who have money are refusing to invest it, it is necessary for the government to take remedial action, and we would go along with the hon. member for New Westminster in saying "if we have a depression". But I think we must admit that that time has not arrived as yet. I note that he says also that first and foremost we must curb inflation. I am very pleased to hear that said by one of the members in their ranks. I am looking forward to the time when he will be moved up to one of the front seats in that organization, nearer the centre of the house. The people in my native province are looking forward to the day when those who say that they are first and foremost in favour of curbing inflation will be recognized.

The money must be found, and that is where the responsibility of the government enters in. I maintain that our insurance, mortgage and trust companies went on a strike against meeting our housing needs some seven months ago. They have been holding a gun to the head of the government year after year; they have persuaded or influenced the government to raise the interest rates. Last year they found that they could invest their money more safely elsewhere and receive a much higher rate of return. After all, the safety of money invested in a house is contingent upon the owner of the house being steadily employed at a favourable wage rate, and so forth. Money invested in oil lines is much more secure and the rate of return, sometimes guaranteed, is very much higher, so I cannot really blame those who are administering the insurance funds for seeking other and far more profitable lines of investment.

Ever since 1935, when they did it to win an election, the government has exercised a very strict control in Canada over the issuance of currency and credit throughout the nation. The time has now arrived when this government must assume its responsibilities in directing the investment funds of the nation. They are failing to assume that responsibility and are hoping the banks will help them out. We have had the most amazing admission that the available supply of money is tending to fall short, but the truth is that it is tending to fall short only in so far as the government is unwilling to direct the flow of investment money in the nation. The supply of money is more adequate than it ever was in Canadian history. One has only to look at the figures to substantiate that. Now we have the shift of responsibility to the banks. The insurance companies are going out of the business and so other fields are being looked for.

The banks, Mr. Speaker, if they are going to be of any real help to the nation in meeting the nation's housing needs, will have to curtail credit for the ordinary commercial needs of the nation. The only alternative is the liquidation by the banks of their government securities.

That in turn will have the effect of raising still higher the rate of interest the government will have to pay on future bond issues. I repeat, the only way in which the banks can adequately help is by curtailing the ordinary commercial needs of the nation.

There has been a lot said about the ability of the banks to help out. This statement has been made not in the house but in newspapers, and it is worth having a look at. The assets of the chartered banks of Canada as given on September 30 last were $10,398 million. Two hundred thousand homes would take $2 billion worth of mortgage money. Even if the banks were able to supply this money this year, next year they would receive a refund by way of repayment of only 3 or 4 per cent. If they harmed the commercial needs of the nation to the extent of $2 billion this year where would next year's $2 billion come from? There is only one logical source of housing money and that is the investment savings of the Canadian people.

The minister made a statement to the effect that he hoped the banks would be able to apply the increase in the deposits of the nation and they would be able to take this money and use it for housing. However, looking over the annual reports of the banks of Canada we note that the banks are seriously alarmed because already the increase in commercial needs is exceeding the increase in deposits.

This new housing act, I maintain, can meet the needs of the nation only if the banks will go the limit of 10 per cent of their deposits and if the insurance companies can be persuaded to invest at least as much in housing this year as they did last year. The only alternative to that is inflation and I am sure even this government, despite the insertion in the act of the principle of making these mortgages liquid and acceptable to the Bank of Canada, will recognize that now is not the time to use that feature of the bill. If we were faced with a lack of investment funds in Canada there might be some justification for that instrument being used; but now, when our price levels are at an all-time high and when we are doing everything we possibly can to increase exports and maintain the present domestic level of prices, is not the time to resort to that method. It might be necessary by the middle of the year if the government observes the imminent bankruptcy of its good intentions.

The attitude of the nation on housing reminds me of a parallel. I was raised in Saskatchewan and I well remember the attitude of many a farmer who settled there. The first thing he needed for his wife and family was a home. He did not have very much money so up went the sod or log shack and then he bought machinery, his tools of production. If he obtained good returns and was fortunate he did not invest the money in a new house. He bought another 160 acres of land, and if he had another good year he bought another 160 acres of land. The following year good fortune hit him again and he bought more costly machinery. He added to his productive capacity year by year until, when he was old and the family had left home, only he and his wife remained. He finally realized how foolish he had been and he went ahead and built a magnificent home. But he and his wife hated it because there was no one living in the home except themselves.

That is what we are doing in our own land. We are taking our investment money and using it to add to the productive capacity of the nation rather than to meet the social needs of the nation. If I were on the other side of the house and did not believe in socialism I would exert every effort in order to curb the mad haste to expand the productive capacity of the Canadian nation now currently going on, because in our own selfish interests we should be limiting this rapid expansion. We already have a surplus of goods which we cannot sell on the markets of the world. Why add to our dilemma? I feel this is a very shortsighted policy and I hope those who have money to invest will soon realize their shortsightedness from their own point of view.

I realize that every new act is dependent for its final success on the regulations under the act, and I hope the new regulations will be improved and made a lot more acceptable to those who build homes. I hope that there will be an end to this business of forcing people who want to build on a suburban lot which they can probably buy for $500, $600, or $1,000 to buy a $3,000 lot on which to erect an $8,000 home. I think that is one of the most ridiculous features of the joint lending arrangements that we have at the present time. I know it is not the government that does it. The insurance companies have a major say in what lots they will approve and what lots they will not approve, and I know that many a person in the lower mainland of British Columbia has been forced to build an $8,000 home on a $3,000 lot when he would have loved to buy an $800 lot for his $8,000 home.

The other undesirable feature about the new housing legislation that I do not like is that by insuring mortgages and making them acceptable to the Bank of Canada we are using the people's credit, and I say it is wrong to allow anyone to make money on the use of the people's credit to meet a social need. I noticed a statement that the rate of interest should not be 6 per cent, but already the government has sold savings bonds at 3¾ per cent, and if you add 2¼ per cent to that you have a loophole ready for a 6 per cent interest rate. My forecast is that before the house meets next winter the rate of interest will be higher than 6 per cent unless there is a change in government policy.

I believe the statement was made at another session of the house that the government should not become the landlord of the Canadian people. What more sinister way is there for the government to become the landlord of the Canadian people than the roundabout one of insuring mortgages whereby, when a man cannot meet his payments, title to the property must be delivered to Central Mortgage and Housing Corporation? I ask the government: What will happen in case of a slight recession? What does Central Mortgage

and Housing Corporation intend to do with all the homes that will come into its hands? Is it going to make a suitable arrangement with the original purchaser of a home so that he will get something for his equity therein?

As far as the government becoming the landlord of the Canadian people is concerned, what about those who have built houses under the Veterans Land Act? All reports I have had from veterans living in such homes speak most highly of the government being in the housing business. The only regret of these veterans is that the ceiling is a bit low. It is very hard to do anything with $6,000. However, it seems to work out very well. We have the government now being a landlord to other Canadian people in making Central Mortgage and Housing Corporation direct loans to the amount of $60 million last year. We hear no complaints. What about government support given to operators of businesses? I notice that some $70 million was advanced through the industrial development bank for the expansion of business in Canada. Surely if we can spend money for that purpose we can spend money in a direct way to meet a social need of the nation.

I say, use the banks if you must for the purpose of administration, if you will not do it our way, but do not use the people's credit to earn a profit for somebody. The government seems unwilling to take a firm hand in directing the investment money of the nation, and there is plenty of it available. May I remind the house that the next election is a long way off, and I am wondering whether the hands of the government are still so severely tied to the last election that they cannot at this date undertake some courageous action.

With respect to subsidized low rental housing, I hope the hon. member for Vancouver East (Mr. Winch) will tell the house something of his and his father's experiences in that field. I know that many hon. members have objections to subsidized low rental housing. Even though you had it in the old act you did not believe in it enough to sell the idea to very many communities so that they would take advantage of it. If you do not believe in it, why not adopt the idea of a cash subsidy toward the capital cost of construction. This policy has been followed by the government of British Columbia for a goodly number of years now. Most of the units are in the riding of the hon. member for Burnaby-Richmond (Mr. Goode) and a few are in my own riding. A married couple with a low income can rent adequate housing for as little as $18 a month. This has been made possible by a cash subsidy toward the initial cost of construction, and there is no other subsidy involved in the operation of these units.

I am sure that the government could have come forward with a better idea than mortgage insurance. Section 40 of the old act contained a provision whereby the corporation might make arrangements with an insurance company under which, if the owner of the house should die, the balance still due would be taken care of and the family would be left with the home clear of debt. I am sure that that could have been enlarged and added to so that if a man were to become incapacitated or were to meet with some other catastrophe the unpaid balance would be taken care of and he would be left with the house. That would have been an insurance plan that would have been acceptable to the Canadian people.

I should like to remind the house that we are not dealing with small peanuts. Two hundred thousand homes means $2 billion, and each year there are $2 billion of savings of the Canadian people which can be made available for housing if the government will realize its responsibility with respect to this great social need. We are wondering just how sincere the government is in introducing this legislation. One has only to look at the latter parts of some of the sections to see that maximum allowances are inserted all over the place. If you figure out these maxima it does not add up to very many homes.

People are going to condemn the government for its unwillingness to recognize housing as a serious national problem and for failing to recognize that housing must have priority on the investment funds that are available within the nation.

Mr. B. R. Leboe (Cariboo): Mr. Speaker, in rising to take part in this debate, I am not going to dwell on a lot of political theories nor take up the time of the house in that way. It seems we sometimes find that people think that the press gallery is fertile ground for the dissemination of political speeches. I believe the place for that is out on the hustings.

I am going to speak to you tonight for only a few minutes. I am not going to bring in a lot of figures which go in one ear and out the other and that do not mean too much. I know that the minister has access to far more statistics than most of us. It just depends upon the willingness of the government to use these statistics, so I feel there is no point in putting forth a lot of figures at this time.

There is one point I should like to bring to the attention of hon. members, and I imagine there are quite a few who will agree with me. I believe that in considering this housing bill we should pay more attention to the man with a large family. It is a well recognized fact that the larger the family the larger the house, and the larger the house the more expensive it is to build. The man who has a large family naturally has greater responsibilities in rearing those children, and I believe therefore some consideration should be given to providing these large families with an opportunity to obtain a house equal to that given to the smaller family.

The thought I have in mind is that the down payment should never exceed 10 per cent because it is going to work a hardship on the individual who has a large family. Naturally, the individual with a larger family has something else to contend with that is greater than a person with a small family. I mean that the dining room table needs more plates around it; there need to be more beds in the house and there need to be more facilities all the way through. Speaking seriously, it is easily seen that a hardship is being worked on the individual who has the greatest responsibilities. I do not think the principle is right. Before I am through someone is going to realize that I have a large family.

I was a little bit concerned, Mr. Speaker, over a press report appearing in the Montreal *Gazette*. I have not a copy of it with me, but I do not intend to quote from it. The press report dealt with the centralization of housing in the city of Montreal. I would certainly be disturbed if I thought our housing policy were going to have that effect. I feel that facing the possibility of a war, and we cannot say that we are not when we think of the budget that is going to be brought down, if we are going to bring our families together in centralized places we are only going to make them that much more vulnerable to attack. Coming from a rural area as I do, I would say that much consideration should be given to the possibility of allowing lumbering and mining concerns to borrow money to supply the housing needs of their employees.

One of the previous speakers mentioned these shack towns. It is those towns that I am thinking about now. We should encourage better housing in such places. Such mortgages would not cause us concern because these people are working in primary industries. It is in the primary industries that the individual is closest to the payroll. I say again, let us decentralize our housing and get more development out in the rural areas.

In closing I should like to leave this thought with you. There has been a lot of stress put on the fear of the individual who has a house with a mortgage. If the individual is able to get into the house, his only fear then should be about meeting the payments. I should like to see a provision in the bill that would make it possible for a married man with one child who moved into a small house to be able to enlarge or extend that house at a later date. If the individual happened to have a larger family and be unable to meet the payments, he should be allowed to recapitalize and bring down the payments within his reach. I should like to emphasize the fact that the rural areas have not had proper consideration in connection with housing, and coming from a rural area I can speak authoritatively on that subject.

Mr. W. B. Nesbitt (Oxford): It is my understanding, Mr. Speaker, that the principle behind this bill is to facilitate the construction of many badly needed homes throughout the Dominion of Canada. Bearing this principle in mind, it is to be hoped that there are no inherent snags in the legislation or any extraneous factors outside the legislation which may in any way frustrate the purpose of the bill. It is my submission that there are such extraneous factors, and also certain inherent snags which may very well frustrate the purpose of the bill.

It is to be hoped if there are many new homes constructed throughout the country as a result of this legislation, those houses which are built, and which I understand are to be under the auspices of Central Mortgage and Housing Corporation, are different in one respect at least from the houses that have been built in the last few years under the blessing of the Central Mortgage and Housing Corporation and the Veterans Land Act. The reason I say that is that the houses that have been built have had a monotonous regularity to them. One can go down row upon row of identical houses in these housing developments, identical even to the last daub of paint. I believe these houses will remain a blight on the landscape of our country for many years to come. We shall not get rid of them very easily.

We rather hope that if this legislation is enacted this situation will not occur again. These boxes which go under the name of houses are of such bad design and architecture that no one would really want them except in case of dire necessity or if they were

offered so cheaply that a person would be foolish not to take them. I should like to draw to the attention of hon. members that most of the houses which have been built under the guidance of Central Mortgage and Housing Corporation or the Veterans Land Act are exceedingly expensive. In fact they are far too expensive for people in the low and medium income brackets for whom they are designed.

In addition to that, the designs of these houses, both interior and exterior, leave very much to be desired. There is little doubt but that the reason for the construction of these rows of identical houses has been the result of several factors. Houses of this type allow no room for individuality, which is something most of us look for in this country of ours. This sameness of the houses cannot help but have a levelling down effect on the people who live in them. There is a danger that the new legislation may be frustrated for the following reasons, which are outside the legislation itself. The first of these would be restrictions placed on local building codes. Local building codes have been built up over the years, and are the result of experience. They have been growing up, and they are full of old-fashioned methods and old-fashioned standards. They take into consideration not at all the fact that new types of building materials, new methods of building and new types of architecture, which have been the result of the advancement of modern science, are now available.

As hon. members know, many of these building codes grew up in the thirties, in the depression days. A great many of the restrictions were put in municipal building codes in order to create jobs. These have not been removed and they do not help to improve the housing situation at the present time.

In addition I think it might be safe to say that a great many of these Central Mortgage and Housing Corporation regulations are based on these local building codes, and suffer from some of the same deficiencies. Insufficient attention has been paid to modern advances. The younger people are making attempts to remedy this. I think the present minister should look into the possibility of making arrangements with many of the provincial governments with a view to seeing that these local building codes are altered so that new types of design in housing can be used.

So much for local building codes which may help to frustrate this bill, and so much for the Central Mortgage and Housing Corporation regulations which, I submit, are not helpful, either. But is it necessary to build row upon row of identical houses at a high cost? Is that an excuse for the present situation? We know that people have to have places in which to live, whether they are attractive or unattractive. But I cannot see any reason why buildings should be built in this way. I believe, indeed, that houses could be built at costs lower than the present ones, and in addition to being built at a lower cost they would have several advantages over the present row-on-row boxes. First of all the houses could be individual in style. Then, they could be of better construction and, third, the interior design could be of much greater utility and beauty than the existing houses being constructed today under Central Mortgage and Housing Corporation.

These advantages, in addition to lower costs, could be effected by means of modern design and the use of modern materials which, while apparently the Central Mortgage and Housing Corporation will not approve, all sorts of private industry and individuals, both here and in other countries, including the United States and the United Kingdom, have been constructing for some years.

I have some information in this regard from Grant Whatmough who, for the information of hon. members, is a young Canadian in his thirties and spent some years in England. He has the following qualifications: He was the chief experimental designer for the British admiralty between 1946 and 1948. He was a member of the council for industrial design in Great Britain in 1948. He was assistant chief consultant to the Hydro Electric Power Commission of Ontario in 1948 and 1949. He has designed over $100 million worth of construction in the United Kingdom, and in the last 19 months in this country designed and supervised the erection of $15 million worth of buildings in the Toronto area. These buildings include the new factory of the International Business Machines Company, as well as those of the Lennox Furnace Company, the Allanson Armature company, and many others.

I think hon. members and the house would agree that Mr. Whatmough's qualifications are very considerable, and that he has obviously some idea of what he is talking about. Mr. Whatmough has designed a number of homes which are very individual and very attractive. They contain four bedrooms, a bathroom, a large living room, a dining room, a utility room and a garage.

These houses, all containing this number of rooms, are of different designs and are not the identical box-like structures one sees

today. They are the type of design and construction that Mr. Whatmough has utilized in the building of the many factories and other buildings he has designed, and the construction of which he has supervised. These houses can be built for $10,000—that is $8,000 for the house and $2,000 for the land. That price has been laid down by the J. R. Page company which, I understand, is one of the largest contractors in the city of Toronto. The Page company has given a specific contract price on these houses of this design.

Houses of similar area, but of much inferior quality and with a box-like appearance, sell at present for $15,500 to $16,500, and houses of design similar to the ones designed by Mr. Whatmough are of a custom-built nature and cost around $25,000.

I believe it is worth pointing out at this juncture that houses now being built with the approval of Central Mortgage and Housing Corporation are of such an unattractive design that at the end of five years it has been estimated by many reliable authorities that they would probably sell in the open market for about 20 per cent less than the amount of the mortgage still existing on each house. This can hardly be described as a satisfactory or economic state of affairs.

These suggestions put forward by Mr. Whatmough sound truly incredible; and I understand that a great many of the government agencies and private concerns that have employed him thought his ideas were incredible, too. Those were their thoughts, at least, until they tried them out, and found they were not incredible.

Mr. Whatmough's designs for houses have been examined by Central Mortgage and Housing Corporation which, I understand, will have to pass upon any plans for homes which will be built under this proposed legislation; and it is to be hoped that those who have the authority of approving such plans will at least consider the possibility of homes of different and new designs, so that new types of construction can be used.

It is my information that in Ontario plans for any houses constructed under the auspices of Central Mortgage and Housing Corporation have to be approved by one Raymond Card, who is the chief architect for the Ontario division of Central Mortgage and Housing Corporation. This gentleman has absolute authority, which is not appealable, to pass on all designs and plans submitted.

I am informed that Mr. Card came to Canada from England in 1907 and originally set up as an architect. After a brief career in this field he entered the firm of the T. Eaton Company, for which, I am told, he worked as floor manager for some 17 years.* Subsequently Mr. Card became employed by the civil service, and he is now in the position of having the absolute word on the majority of new houses built in Ontario by Central Mortgage and Housing Corporation.

In commenting upon Mr. Whatmough's proposed plans and designs for new homes, Mr. Card indicated that he was not familiar with this type of planning, because it was new to him; and in addition suggested that if houses were too attractive for working people they might develop a taste for an expensive form of living which was not good for them.

It may very well be that Mr. Whatmough's plans and designs for homes to be built at such a low cost are not practicable, although the evidence would indicate that his suggestions were indeed most practicable. But even if they are not, it is a very unfortunate situation that any one person in a large government agency, such as Central Mortgage and Housing Corporation, is placed in the position of either approving or disapproving absolutely, without any opportunity of appeal by those who are affected.

What we need in this country is attractive, individual, low-cost houses, and we certainly will never get them if this bill is put forward, and is to be frustrated by local building codes and the bureaucracy of Central Mortgage and Housing Corporation.

All through history we have seen examples of people who have followed this line of thinking: "If it was good enough for grandfather, it is good enough for me." In this young and growing country, with the great changes brought about by modern science, I would hope that this attitude might be put aside, at least so far as this bill is concerned. Because we certainly do need more houses, cheap ones and individual ones.

In conclusion, if the government would enter into some arrangement with the provinces to help modernize local building codes, and could alter the regulations under which Central Mortgage and Housing Corporation

* *See also page 1399.*

houses are built, and could broaden the regulations under which designs are approved, this bill would be a very material help.

On motion of Mr. Nesbitt the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall take third reading of the bill with respect to the Northwest Territories acts; then a continuation of this debate; then the bill standing in the name of the Minister of Mines and Technical Surveys, having to do with the boundary between Ontario and Manitoba, and the Explosives Act; then the bill standing in the name of the Minister of Northern Affairs and National Resources, having to do with the national battlefields at Quebec.

It being four minutes aften ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, January 22, 1954

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT BUSINESS ON MONDAYS

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That on Monday, January 25, 1954, and every Monday thereafter to the end of the session, government notices of motions and government orders shall have precedence over all business except the introduction of bills, questions by members and notices of motions for the production of papers.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I say a brief word on this motion. When a motion such as this reaches the order paper, we realize there is no practical point in objecting to it. I should like to ask the government, however, to recall that when we gave up one of the private members' Wednesdays in December, I think it is fair to say there was general agreement that that would be remembered when the time came to take away private members' days. I hope the government will recall that understanding before it moves too quickly to take away private members' Wednesdays.

Mr. Daniel McIvor (Fort William): I should like to ask a question. When private members' days come along, why is it there are so few members in the house? Why is it that the press takes so little notice of it?

Mr. E. G. Hansell (Macleod): I do not believe we can have any particular objection at this time to the motion, although we do want to go on record as supporting the hon. member for Winnipeg North Centre (Mr. Knowles) in his suggestion that Wednesdays be left open a little longer. While I am on my feet, I suggest to you, Mr. Speaker, that we are interested in this matter of private members' days being cut off. We like to be as accommodating as possible, but I believe in the ordinary course of parliamentary procedure we are beginning to get away from the important fact that members of parliament, no matter where they sit in this house, have equal status. Each of us represents a body of people who perhaps hold a certain body of opinion.

This is one place in the country where all members are equal. Ever since my first session here I have often deplored the differentiation in our phraseology between government and private members. We recognize, of course, that a government is that officiating body which runs the affairs of this country, but in reality a cabinet minister or even the Prime Minister (Mr. St. Laurent), who takes his seat in this house, has no more right to that seat than a backbencher. He was elected just the same as any other member. I believe that when members introduce motions, resolutions or bills they should have equal prominence with any other bill. I would suggest, therefore, although I do not suppose my suggestion will meet with any degree of approval for a long time, that private members' days should be lengthened and strengthened. They should be strengthened in the sense that any motion, resolution or bill placed on the order paper by a private member should eventually reach a place where it is voted upon. If the house votes in agreement with it, it should be the responsibility of the government to carry it through.

While we are not going to seriously object to the motion at this time, those are my sentiments at least.

Motion agreed to.

TRADE MARKS ACT

INQUIRY AS TO BRINGING MEASURE INTO FORCE

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Secretary of State when the government proposes to bring into effect the Trade Marks Act, which was adopted at the last session of parliament.

Hon. J. W. Pickersgill (Secretary of State): No decision has been made as yet. The officials of my department are still engaged in drafting the rather complicated regulations. I am informed that when they have been drafted and approved by council they will propose that a proclamation be issued bringing the act into force at some later date. In this way there would be plenty of time for members of the bar, and other interested parties, to familiarize themselves with the new regulations before they come into operation.

Inquiries of the Ministry

LABOUR CONDITIONS

CANADIAN NATIONAL RAILWAYS—INQUIRY AS TO SYSTEM-WIDE LAY-OFFS—WINNIPEG WORKERS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask a question of the parliamentary assistant to the Minister of Transport. When he draws to the attention of his minister the question that was put to him yesterday by the hon. member for Vancouver-Quadra (Mr. Green) respecting anticipated lay-offs by the Canadian National Railways, will he ask him to give special consideration to the extent to which those lay-offs will affect the workers at Winnipeg, where I understand the largest single group, in the total number of lay-offs, will lose their jobs.

Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport): I shall be pleased to bring to the attention of the minister the representations just made by the hon. member for Winnipeg North Centre.

While I am on my feet I wish to answer the question asked yesterday by the hon. member for Vancouver-Quadra (Mr. Green) and which was at that time taken as a notice. His question had reference to these lay-offs by the Canadian National Railways. I have looked into this matter and I am told by the management of the railway company that railway traffic has been declining, and that consequently staff adjustments will have to be made according to actual requirements. It is hoped however that traffic levels will soon be restored to the point where the railway company will again require the services of those who may be laid off to meet the current situation.

Mr. Green: May I ask the parliamentary assistant what number are to be laid off.

Mr. Langlois (Gaspe): I have no official confirmation from the management with respect to that; but I have learned from other sources that the number is, as I understand it, about 800 for the country as a whole.

Mr. Knowles: And 262 of them will be at Winnipeg.

Mr. Green: Has not the department any method of avoiding such heavy lay-offs?

Mr. Langlois (Gaspe): Unfortunately, no.

GRAIN

DELIVERIES UNDER QUOTAS—REQUEST FOR INCREASE

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to ask a question of the Minister of Trade and Commerce. I have not given notice, because a request for this information just reached me by letter a few minutes ago. The question is this: Is the minister in a position to advise the extent to which present quotas at wheat delivery points have been exhausted? What is the probability, particularly in those areas where the acreage is small, of having a further increase of the wheat quota to eight or ten bushels to the acre?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the delivery quota on oats was increased yesterday by a further six bushels per acre seeded to oats. I have no information as to the progress in the deliveries of the general two-bushel quota. However, I shall be glad to make inquiries. I should think however that it would be some time before that particular quota could be increased.

If my memory serves me correctly, the minimum quota for the small producers was increased when the two-bushel quota was announced. I do not remember the exact figure, but I think the minimum is at least 1,000 bushels at the moment. Anyone can deliver 1,000 bushels of any grain. I believe that is the situation, but I shall be glad to make a check and give a statement later.

HARBOURS

REQUEST FOR FIRE BOAT AT SAINT JOHN

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I should like to ask a question of the Minister of Transport (Mr. Chevrier) or his assistant. In view of the recent serious waterfront fire in Saint John last Wednesday, January 20, has the government, through the national harbours board, or any other of its agencies, considered providing or assisting in the provision of a fire boat for Saint John harbour?

Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport): I thank the hon. member for having given me notice of his question. Apparently the hon. member has reference to the fire which broke out on board the *S.S. Mont Gaspe* shortly before midnight on January 19, while the ship was docked at pier No. 7 on the west side of Saint John harbour.

This fire, which apparently was caused by a short circuit in the radio equipment, was confined to the chart room and the bridge of the ship, and did not spread to the property of the national harbours board. Since fire protection is a municipal responsibility, no fire-

fighting boat is at present being considered for either the harbour at Saint John or any other harbour in Canada.

Mr. Bell: May I ask a supplementary question. Does not the national harbours board, or the government, provide a subsidy for a fire boat at Vancouver, and also allow the navy to provide a fire boat at the port of Halifax?

Mr. Langlois (Gaspe): It is true that the national harbours board is paying a subvention of $25,000, I believe, to the municipal authorities in Vancouver to assist them in operating the fire-fighting tug which was built there by the city. So far as Halifax is concerned, during the war the navy had two fire tugs at that point. Some years ago one of them was sent to St. John's, Newfoundland, and the other is still being operated in Halifax, but strictly by and for the use of the navy. There is no other government-owned fire boat in operation in any other harbour in Canada.

WHEAT

QUESTION AS TO FINAL PAYMENT FOR 1952-53 CROP

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to ask a question of the Minister of Trade and Commerce. Is he able to add anything to his reply to my question on January 12, as to when final payments for wheat might be made, and to say whether the wheat board accounts for 1952-53 have yet been closed, as a first step toward making final payments?

Right Hon. C. D. Howe (Minister of Trade and Commerce): No, the accounts have not been closed. There has been some discussion between the wheat board and my officers. The position, of course, is that the last crop of wheat is not sold in total. It is hoped that the wheat accounts can be closed early in February, and final payment made. I expect to be in Winnipeg early in the month, and at that time we will try to arrive at a decision.

Mr. Argue: Would that mean that final payments might be out at the end of February, or in March?

Mr. Howe (Port Arthur): Yes, certainly not later than that.

NORTHWEST TERRITORIES

AMENDMENTS RESPECTING ELECTIONS, APPOINTMENTS TO COUNCIL, ETC.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources) moved the third reading of Bill No. 77, to amend the acts respecting the Northwest Territories.

Motion agreed to, bill read the third time and passed.

NATIONAL HOUSING ACT

SUBSTITUTION OF NEW LEGISLATION TO INSURE APPROVED LENDERS, ETC.

The house resumed, from Thursday, January 21, consideration of the motion of Mr. Winters for the second reading of Bill No. 102, to promote the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have just a few remarks to add to what I said last night. They are as follows. In view of the tremendously high cost of building at the present time, and if this legislation is to succeed in providing low-cost housing for people of low and medium incomes, I should like to suggest that the minister might consider setting up a research department in Central Mortgage and Housing Corporation to look into the possibility of finding new types of architecture and revising the present regulations of the corporation in order that new and more advanced methods may be employed in the building of houses with which the corporation is concerned, thus possibly allowing houses to be built at a lower cost.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, some of us feel that the real test of the new housing legislation now before parliament is as to whether or not it will help people to get homes who would not otherwise get them. It is our contention that the housing legislation we have had thus far has failed to meet that test. Houses have been built under the National Housing Act. There is no denying that fact. But they have been built mainly for people who would have been able to build or obtain homes anyway. They have been helped to get new homes a little earlier than would otherwise be the case, but the old National Housing Act has not helped people who were not able to help themselves.

It is our belief that the new legislation now before parliament offers little or no improvement on that score. Again, there is no question but that houses will be built under the new housing act and the minister will be able to bring figures before the house from time to time indicating that large numbers of homes have been built under this legislation. But it is our contention from

a study of the act that there is no change in respect to the basic weakness to which I have already drawn attention. It is still the case that the assistance provided under this legislation will be mainly for those who would get homes or have them built anyway. It so happened that while I was at home in Winnipeg during the Christmas recess I discussed the government's housing legislation with some gentlemen whom I think it would be fair to describe as hard-headed real estate men. They are men whose support of the C.C.F. is doubtful. I imagine they support other parties than ours. Nevertheless they said to me in very clear terms, two real estate men in particular, that in their view the national housing legislation helped only those who would be able to get homes anyway. They pointed out to me that they are collecting rents from a great many people occupying rented houses in cases where the rents are greatly in excess of the monthly payments being made by some people who are buying their own homes. They pointed out to me that the new legislation will not enable those people to become home owners any more than the previous legislation did.

That, Mr. Speaker, is our chief complaint against this legislation. We have already pointed out with respect to the previous housing act that it seemed to be legislation largely designed to guarantee the position of money lenders. We contend that that criticism must be levelled against this new legislation as well. Indeed, as my colleague, the hon. member for York South (Mr. Noseworthy), pointed out yesterday, it goes one step further in taking the alleged risk out of private enterprise which is supposed to be the justification for private enterprise making a profit out of such a matter as housing. As I say, those are our two main criticisms of this legislation. Those are the two main points on which it falls down. In our view it is legislation that takes the risk out of private enterprise, that underwrites and guarantees the position of the money lender, and, on the other hand, though it helps to get houses built, it helps to get them built for people who would get homes anyway.

Having made that main charge against this legislation, namely, that it will not help the people who really need help, may I indicate, even at the risk of repeating some of the points made by colleagues of mine who spoke yesterday, that in my view there are three main stumbling blocks in the government housing legislation which are the cause for it not being of any help to the little people, the people who need help.

[Mr. Knowles.]

The first stumbling block is the high interest rate. We do not know for sure just what that interest rate is going to be after this bill has been passed, but it would appear from what the minister said yesterday as though the figure would probably be 5¾ per cent. He said yesterday that 5 per cent would be a very nice rate from the borrower's point of view but that he doubted whether money would be available at that rate. On the other hand, he characterized 6 per cent as too high. He pointed out that life insurance companies have been putting their portion of money into joint loans at the rate of 5¾ per cent, so I deduce from all this that what is up the government's sleeve is a proposal of a 5¾ per cent interest rate. That is one of the main contributing factors to the high cost of home ownership. Whether you talk about homes of moderate total cost, whether you talk about homes in the bracket the minister was speaking about yesterday when he gave examples involving monthly payments in the $50 range, or whether you talk about homes of a little better quality, right down the line one of the main factors in a high monthly payment, one of the main factors in it taking 25 to 30 years to pay off a mortgage, is the high interest rate.

We of the C.C.F. contend that the government has not faced up to the seriousness of the housing problem, has not recognized it as the social responsibility it is, until it takes steps to bring down the interest rate, and we suggest that it should be reduced to 2 per cent. The hon. member for York South yesterday suggested a couple of ways in which that might be done. One way would be to use money from the Bank of Canada. Another way would be for Central Mortgage and Housing Corporation to lend money directly for home building and for the government, if necessary, to subsidize the interest rate so as to bring it down to 2 per cent.

There may be other ways, but the point we are making is that the challenge is facing the government, if it claims to be interested in housing, if it claims to be really concerned about housing as a social responsibility, to find some way to bring the interest rate down so that the cost of a home for the average Canadian can be brought within the means and capacity of the average Canadian. It is no use prating about the large number of homes that have been built by people who can afford them. It is no use the Liberals getting up enthusiastically and patting the government on the back for bringing in a new housing act unless they are prepared to take this basic step of finding a way to bring down the interest rate so it will be possible for people of average means, of average financial capacity, to own their own homes.

The second barrier to ordinary people being able to take any advantage of housing legislation is the question of the down payment. Of course we welcome the fact that the amount of the down payment is being reduced by the terms of this legislation, but, as the hon. member for York South pointed out yesterday, we feel that the 90 per cent loan provision should apply higher than the government proposes, that it should apply on a value of $12,000 which would bring the loan on such a house up to $10,800.

Not until something has been done to make it possible for people of ordinary average income to get started on the purchase of a home can it be said that the government or the country is really fostering on a widespread scale the idea of home ownership. I shall come later to something that I want to say about rental housing and the need for a government program that will actually provide low-rental housing, but at the moment I am talking about the home ownership aspect of a national housing policy.

With respect to the question of the down payment, I suggest to the government that it need not do any boasting about having reduced the down payment under a certain point to 10 per cent as though that was the last word in down payment legislation. I would call the attention of the government to the fact that President Eisenhower's committee of advisers on housing made a report to the President of the United States on December 15 last. That report contained quite a striking suggestion with regard to the ways and means of helping to provide housing for low income families. I have in my hand a copy of the supplement to *House and Home* for January, 1954, which contains comments on the report prepared by the President's committee and also the text of the recommendations. One of those recommendations contains this suggestion:

> For an experimental period of two years, the federal housing administration should be authorized to insure 40-year, 100 per cent loans up to $7,600 per dwelling unit or up to $8,600 per dwelling unit in high-cost areas as determined by the federal housing commissioner. This special mortgage insurance program, proposed as a new section 221 of the National Housing Act, is designed to meet the housing requirements of low-income families as determined by the federal housing commissioner. Purchasers under this program should be required to make a minimum cash payment of $200 including amounts to cover settlement costs and initial payments for taxes, hazard insurance and similar prepaid expenses.

In other words, there is in that recommendation the proposal for some cash down but only for the purposes indicated. So far as the basic purchase of a home is concerned, the recommendation by President Eisenhower's advisers is that under certain conditions there be a 40-year mortgage and no down payment. So I submit that we have not seen the last word in this kind of legislation, that the government is not fostering seriously and earnestly the idea of widespread ownership of homes by the Canadian people.

A few moments ago I said that in my view there were three stumbling blocks to this legislation being of any use to ordinary people, to people with average incomes.

In my view the third stumbling block is the amount or percentage of income required under this legislation before one can qualify for a National Housing Act loan. I said earlier in my remarks that I had discussed this question with hard-headed real estate men in my city during the Christmas recess. I repeat what I said a few moments ago, that two of them told me that their firms were collecting high rents of from $70 to $80 per month, and more, from people who they knew could not afford to pay those rents. But in the light of the government's legislation those same people were told that they could not afford to buy a home under the National Housing Act and pay $55 or $60 per month on the purchase of such homes. Surely that is ridiculous. These hard-headed real estate men in Winnipeg say that neither the former legislation nor the new legislation will help those people.

I have been under the impression for a long time that what my real estate friends told me was correct, but I decided—as a matter of fact I did this only an hour or so ago—to check with the dominion bureau of statistics to see if they had any figures on this question. I found that they had. I found that there will be a booklet or monograph on housing put out in a month or so which will contain many interesting figures on housing in general and on the rental of homes in particular. The officials of the dominion bureau of statistics were able to give me figures over the telephone which substantiated the point I have been making, namely, that there are a great many people in this country paying rents which are higher than what might be considered an appropriate monthly figure for the purchase of a home.

For example, I find that according to the returns of the 1951 census there were 257,225 heads of households in Canada paying rents of $50 per month or more, and there were 162,885 paying rents of $60 a month or more. The first figure represents 23·1 per cent of all renters, the second figure, 14·6 per cent. I sought the figure for my own city of Winnipeg and found that in 1951, 9,360 heads

of households were paying rents of $50 a month or more, being 30·8 per cent of all renters in Winnipeg, and that 5,285 of them, or 17·4 per cent of the total, were paying rents of $60 per month or more.

Those are the figures for 1951 when the last census was taken, but the dominion bureau of statistics made another survey under date of September, 1953, from which we discover that the situation is getting worse. Unfortunately for my purposes the bureau does not have the 1953 figures for the city of Winnipeg, but it does have figures comparable to those which I just gave for 1951 for the whole of Canada and they also have them for Manitoba as a whole, both for 1951 and 1953. When those figures are studied the picture becomes quite clear.

For example, in September, 1953, for Canada as a whole the number of heads of households paying rents of $50 a month or more had gone up from 257,225 to 391,000, and the percentage had risen from 23·1 per cent to 32·9 per cent. The number of those paying rents of $60 a month or more had gone up from 162,885 to 272,000, with a percentage increase from 14·6 per cent to 22·9 per cent.

In the case of Manitoba, those paying rents of $50 per month or more stood at 12,235 in 1951 or 23·3 per cent of the total, and that figure had gone up to 17,000 or 27·7 per cent of the total by September, 1953.

In the case of Manitoba those paying $60 a month or more stood at 6,970 in 1951 or a percentage of 13·3 per cent. That figure went up to 11,000 in September, 1953, or a percentage of 18 per cent. As I said before, there are no figures as yet for Winnipeg for September, 1953, but by looking at the increases that have taken place over Canada as a whole and the increases that took place for Manitoba as a whole it is safe to assume that in the case of Winnipeg as at September, 1953, 34 or 35 per cent of the heads of households paying rent were paying $50 a month or more and 20 to 21 per cent were paying rents of $60 per month or more.

I would be the first to admit that some of these people paying these high rents are doing so by choice and for one reason or another do not wish to own their own homes. But there is no doubt in my mind, and my real estate friends back home agree with me, that great numbers of these people paying these high rents would rather be purchasing homes at monthly figures similar to the examples given to the minister yesterday.

Yesterday the minister gave examples to underline the virtues of this legislation, as he sees it, and most of the examples he gave were in the $50 bracket. But I suggest it is ridiculous that we should have legislation which provides for the purchase of a home at monthly payments in the $50 bracket while its provisions are not available to many persons who are having to pay $60, $70, $80, $90 and $100 a month rent. It is surely adding insult to injury to tell these people who are having to pay rents as high as $80 and $90 a month or more that their income is not sufficient to make it possible for them to undertake the ownership of a home at monthly payments of between $50 and $60 a month.

These three stumbling blocks in this legislation which I have presented are in my view stumbling blocks which stand in the way of this legislation being of any help to the average person, let alone to little people, in the matter of home purchasing. I would strongly urge that consideration be given by the committee that will deal with this legislation to these three stumbling blocks. Three things that must be done are: First, bring down the rate of interest; second, bring down the amount of the down payment and even consider in the case of moderate priced homes for low income families the suggestion made by President Eisenhower's committee of a program involving no down payment; and finally, reduce the amount of income one is required to have in order to become a home owner, so that we do not have the ridiculous situation whereby people paying $80 a month rent are being told they cannot afford to pay for a home at $50 or $55 per month.

I have one or two other suggestions to make as to the shortcomings in this legislation. It seems to me the time has come in this country to consider the principle of open-end mortgages whereby people who have bought homes can get additional money on a mortgage later on after it has been reduced at the same terms that originally applied for the purpose of home improvements or other necessary purchases.

Similarly, I think consideration should be given to the problem of major appliances. In a modern home the heating plant is considered to be a part of that home in this country, but the day has come when an electric stove and a refrigerator are also part of the equipment of a modern home. Many a family that is otherwise able to take on the obligations of purchasing a home under the National Housing Act finds itself strapped because it has not the money to get started with a stove, refrigerator and the other major items that are necessary at the beginning. It is possible for builders to purchase some of

these articles of equipment wholesale or in large lots and get them at less than the retail price, and it seems to me that provision should be made for including some of these articles in the purchase price of a home, and that lending arrangements made in connection with that purchase price should include these essential articles.

Not until consideration is given to matters such as these, which affect ordinary people who desire home ownership, is there room for all the boasting and prating we have had in the house, particularly from the other side.

There are still other shortcomings in the government's proposals. The minister was proud of the fact that he is lengthening the amortization period, and we are glad he is doing so. I took occasion to point out during the election campaign last summer the manner in which the government seemed to be stealing parts of our housing platform. We had, in the main, adopted three points: first, the lowering of the down payment; second, the lengthening of the amortization period; and third, lowering of the interest rates. Reports were leaking out during the election campaign to the effect that the government was going to do something about lowering down payments and about lengthening the amortization period. The only complaint I had about that type of thieving, that stealing of our planks, was that the government did not steal all three of our points and decrease the interest rate as well. As someone is saying behind me, they failed to steal the most important plank in our platform.

But what I intended to say on this point was that any pride the minister has in the fact he has lengthened the amortization period is, I believe, washed out by the type of figure he was yesterday put in the position of having to give to the house. He pointed out that under the present rate of interest on joint loans of 5¼ per cent the lengthening of the amortization period to 25 years is going to save the borrower or home purchaser 73 cents per month per $1,000. That is before the rate of interest goes up from 5¼ per cent to 5¾ per cent or whatever the increase might be. It appears to me that the increased rate of interest and the increased cost of homes is going to wash out for most people any advantage that accrues from the lengthening of the amortization period so far as monthly payments are concerned.

I suggest, Mr. Speaker, that if that is the case, and if the anticipated advantages of the government's own legislation are going to be washed out by the increased rate of interest and the increase in the cost of homes, it is high time the whole proposal was further reviewed.

I need not take much time on one or two other points which have been adequately covered by my colleagues who have already spoken, but I would like to say in passing that we in this group deplore the way in which the government is moving in respect to the provision of money for homes. For some time now we have had part I of the National Housing Act, and we have had joint loans with government money being put in along with the money of the life insurance companies or the lending institutions. That is now being taken away. In other words we are having a retreat from the idea of joint loans into a situation where private enterprise, private lending institutions, are to take over, for all practical purposes, the whole field, at least so far as individual homes are concerned. I noted with some interest that even the hon. member for Eglinton (Mr. Fleming), despite the fact that the Tory party declared at the start of this session that they were going to be more ardent advocates of private enterprise than in the past, also deplored the retreat of the government from the principle of joint loans.

Whatever thinking may be going on in the mind of the hon. member for Eglinton, at any rate we greatly dislike the idea of moving in that direction.

Comments have already been made by members of our group as to the idea of making use of the banks. If the government wishes to have the banks used in that way, we see no serious objection; but we point out that in effect that is giving over to private enterprise the whole field of lending for houses without any suggestion of the kind of interest rates that would make housing possible for average and middle income people. This is simply a denial on the part of the Canadian government of social responsibility in the field of housing.

We feel the same way about this business of insuring mortgages. Again the borrower is being asked to pay the shot. The borrower is having a sum added to what he must pay. Is it for his own protection? No; it is to protect the money lender against default, either by the borrower in case there is something in his own experience over which he has no control or in case there is a depression and the value of homes goes down to the point that it is less than the amount that would still be owing on a mortgage. In other words, out of this legislation the banks are getting not only a new field for investment, underwritten, guaranteed and

protected at public expense, but as well they are getting insurance against a depression, to be paid for by the people who purchase these homes. Mr. Speaker, with respect to the National Housing Act as we had it before, we have said time and time again that it was not an act to get homes built for people who needed them but was primarily an act to help out the lending institutions. The leopard has not changed its spots. This legislation is just like the legislation we had before. The banks have been substituted for the insurance companies in actual practice, but it is still legislation which helps people get homes if they could have got them anyway, and it makes things bright and rosy for the banks, which are the major lending institutions under this new legislation.

The other major fault with this legislation, in our view, is that it makes no improvement in the section having to do with low-rental housing. As I have already said, we feel strongly that every encouragement should be given in this country to the idea of home ownership. I hope I have made my points in connection with that matter as strongly as possible, having regard to the importance we attach to them. But it is still true that there are many people whose occupations require them to move around. It is still true that there is needed a great deal of rental housing in this country. Most of the people who require rental housing are in average or below average income brackets. My friend the hon. member for Winnipeg South (Mr. Trainor) is interjecting to say that I have already suggested that there is too much of rental housing. That is perfectly true. I thought I had made it clear just now that our first choice is that there should be home ownership and that we want to encourage the possibility of home ownership for middle, average and even lower than average income people. But there are those whose jobs are such that they cannot be sure they will stay in one place for any extended period of time and for whom rental housing seems to be the only solution. It so happens that most of those people are also the people whose incomes are in the middle or lower than middle brackets, and the only possible solution for them is a low-rental housing program with an element of subsidy in it, to make possible decent housing for them.

I know that some of the private enterprisers in this house—and the place is full of them—who listen to what I am saying will be thinking, in their own minds, that these people over here in the C.C.F. group want public money to go into housing in the form of a subsidy; and that is something which is anathema, as I say, to many of the private enterprisers in this house. But we take the position that you mark a society's progress by the extent to which it accepts social responsibility for those things which are vital to the life and the well-being of its people. In our view housing is just as important as are education, roads and many other services which we have agreed are a public and social responsibility rather than an individual matter. With all that is in us we deplore the idea that some children are born into this world, in this country of ours, to live in poor, inadequate slum homes whereas other children, who are equally Canadians, are born to enjoy better housing. Just as we have accepted the principle that every child in this country is entitled to the best education the country can provide, we say that the time has come when every child born in this country is entitled to be born into and to live in a good home. We know of no way in which public money could be better spent than by channelling it into ways that will provide for better homes for our children. In our view, Mr. Speaker, the legislation now before us is woefully inadequate. It does not meet the tests which housing legislation in 1954 should meet for the Canadian people.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to take advantage of this opportunity to say a few words with regard to housing. It is not often that I have had the opportunity of congratulating the minister. I looked through this bill carefully to see if there was not, somewhere in it, something on which I would be able to congratulate the minister, and I found one. I should not say that I found it in the bill, Mr. Speaker; I found it in the minister's quotations when he was speaking. The thing on which I think I should congratulate the minister on this occasion is that at last he has recognized the need for further development in our housing so that those people with small incomes will be able to become possessors of homes. I also think he is right in taking the view that something should be done in the field of credit expansion so that our national resource of homes may be developed without undue interference with the industrial development of this country because, in my judgment, there is room for both developments. The view is prevalent that there is a need for credit expansion in this country. If that expansion is necessary for developing more homes, then it should be provided for. I do not think that we have reached the period in our development when industrial development

either has expanded to the extent that it should reach. I think the two can run along hand in hand.

After having congratulated the minister in that respect, Mr. Speaker, may I speak for a moment about the need for homes; and in this view I think the minister and I are in accord. There is a great need in Canada for homes for those people in the low income groups. Like my friend the hon. member for Winnipeg North Centre (Mr. Knowles), I am more concerned with those people in the low-income groups than I am with those people who have a sufficiently large income to build houses of their own or to take advantage of the housing legislation as it existed in the past. In the early part of this session and in the last session I have said that people with sufficient income have no difficulty in procuring houses under the National Housing Act. Those people whose incomes are not sufficiently high to meet the requirements of Central Mortgage and Housing Corporation for loans are the ones who are in need of assistance.

The dominion bureau of statistics has stated that 75 per cent of the people of Canada earn less than $3,000 per year. This is an extremely low income to apply to 75 per cent of our population. If that is true, then I think I am safe in saying that about 50 per cent of our people earn less than $1,500 per year. How are people in that financial category going to be able to take advantage of the legislation as it existed last year or as it will exist under Bill No. 102? It just cannot be done.

In his speech the other day the minister stated that on a $10,000 house with a lending value of $8,000, the down payment would be $1,400. I say that if the statement of the dominion bureau of statistics is true, then only 50 per cent of the people in Canada can take advantage of that.

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

Mr. Johnston (Bow River): Yes.

Mr. McIlraith: The hon. member is using the particular statistic put out by the dominion bureau of statistics as an indication that 75 per cent of the persons available for work in Canada get less than $3,000 per year. The statistic does not say that at all.

Mr. Johnston (Bow River): I was not referring to the unemployed at all. The hon. member is referring to people who are not available for work.

Mr. McIlraith: No; the statistic you are using includes in it all persons who earned money at any time during the year. For instance, students are included in it if they worked any part of the year.

Mr. Johnston (Bow River): I think that is a minor consideration because if you take the students out of it entirely the position is practically the same.

Mr. McIlraith: No, it is not.

Mr. Johnston (Bow River): Let us take the general, over-all picture. I am not going to argue with the hon. member for Ottawa West (Mr. McIlraith) whether their income is down or up $100. The over-all picture is the same, and that is as the dominion bureau of statistics states it.

Mr. McIlraith: That is my point: it is as the dominion bureau of statistics states it and not as the hon. member states it.

Mr. Johnston (Bow River): I shall let you argue that with the Minister of Public Works (Mr. Winters). When the minister was speaking not long ago to the appraisal institute of Canada, he made this statement. The hon. member can argue this with him. The statement appears in a press dispatch of Thursday, April 2, 1953:

> Mr. Winters said that not more than one-third of Canada's families could afford new houses—either to rent or to own.

Do you agree with that statement? The hon. member for Ottawa West makes no reply.

An hon. Member: He makes no reply because he knows the bureau of statistics statement, but not the other one.

Mr. Johnston (Bow River): I do not want to get the hon. member into an argument with the Minister of Public Works because I think the minister would wipe the floor with him. I agree with the minister. Then, he goes on to say:

> But if enough new houses were not found, he stated, it would affect the people at the bottom of the scale—people who were living in dilapidated and obsolescent houses.

That bears out almost word for word what the dominion bureau of statistics has said, so I take it that what the minister has said is quite correct.

Mr. McIlraith: It is.

Mr. Johnston (Bow River): Then, you have changed your mind in the last few seconds.

Mr. McIlraith: No, I have not. I was just trying to point out to the hon. member, as I am sure he wishes me to do, that he was not using the dominion bureau of statistics statement exactly as it was put out. If he will

just read the item as it was put out, and put it on the record that way, we will be in complete agreement.

Mr. Johnston (Bow River): The hon. member can put any interpretation on it he likes, but the dominion bureau of statistics statement still stands as it is.

Mr. Noseworthy: Get some houses for Ottawa instead of patting the government on the back.

Mr. Johnston (Bow River): A while ago I congratulated the minister when I said I thought he recognized the problem in this country by stating that two-thirds of our families are just not in a financial position to own or rent homes. Then, let us do something about it. Perhaps the minister is in hope, I am sure he is, that this new bill will take care of that problem. I am afraid he is going to be disappointed.

When the minister was speaking the other day he indicated the number of new houses that had been built year by year. When he was speaking on December 16, I think the figures were different slightly from those in his last speech, but not materially. He said that starts in 1950 were 95,000; 1951, 74,000; 1952, 84,000. At that time, he did not have the estimates for 1953, but I think it is about 100,000. He hopes in 1954—I think I am correct in this and I am sure he will correct me if I am wrong—there will be about 105,000 new starts.

Mr. Winters: I made no prediction, Mr. Speaker. I said there were about 105,000 starts in 1953.

Mr. Johnston (Bow River): Then, the minister is not sure what this new legislation is going to do.

Mr. Goode: You are not, either.

Mr. Johnston (Bow River): No, I am not. The only thing I am sure about is that it is not going to be any better. It probably is not going to meet the expectations of the Minister of Public Works, but it may meet your expectations. I do not know what they are. I have not heard you express them. You should get up and speak on this subject.

Mr. Goode: I will.

Mr. Johnston (Bow River): Then, the people of Vancouver will know you are here.

Mr. Goode: Do not mention Vancouver, say Burnaby.

Mr. Johnston (Bow River): Where is that? In the past I have been somewhat critical of Central Mortgage and Housing Corporation, but not of the individuals concerned. As I have said, it is too big a job, it is too scattered for any centralized organization in Ottawa. I have suggested a plan, and I shall repeat it later, how that can be overcome.

One of the great faults I have found with the government-built homes has been the inspection. I believe that is where the whole plan falls down. I am not blaming particular individuals in the Central Mortgage and Housing Corporation. Probably they try to do the best they can. How is it possible for a central organization in Ottawa to scatter its work all over the Dominion of Canada and expect to have proper home inspection? It just cannot be done, and it never has been done. A few good homes have been built; I am not contradicting that for a moment. It depends entirely on the local contractor. If he is an honest fellow you will get a good house. In the last few years I have seen some good houses built under Central Mortgage and Housing Corporation, but I have seen a lot of poor ones. In almost every case it comes down to poor inspection.

I am not going to go over the question of poor inspection again. I have gone over it so thoroughly on many other occasions, I am sure the minister knows exactly what I mean. I believe the federal government should get away from this attempt at trying to build houses. I shall give my alternative proposal later.

Under Bill 102 in which the minister is putting so much hope there are two main provisions. The first is that it is going to widen the group of lending institutions to include the chartered banks and the Quebec savings banks. The second is that it will abandon joint loans and substitute insured loans. Probably the minister hopes that it will result in the chartered banks extending credit—and, to a degree, it will. The minister said certain things about the principle of mortgage insurance, as reported at page 998 of *Hansard*—and I shall read his words now because I do not wish to misrepresent his views. This is what he said:

> Under the proposed amendments Central Mortgage will have the power to buy insured mortgages from approved lenders.

And later:

> —it is proposed to make insured mortgages eligible security for Bank of Canada advances to chartered banks, as is the present position in respect to government bonds.

In his speech he gave the impression—at least I thought he did—that the people's savings which are deposited in the chartered banks are now going to be used for home building. This cannot be true, because the banks do not lend people's savings directly.

What is going to happen? I said a while ago that this would result in the expansion of credit; and so it will. What is going to happen is that when Central Mortgage and Housing Corporation accepts these insured loans they will be accepted by the chartered banks, and then the chartered banks will use this as eligible security to deposit in the Bank of Canada, where they will be given further credit advances.

When the bank then makes a loan it is an issue of new credit; it is not using the people's savings at all. So the hon. member for Burnaby-Coquitlam (Mr. Regier) when speaking the other day was, I think, quite wrong when he suggested they were going to use the people's savings for this purpose. That will not be done; it is purely a matter of credit expansion.

One of the particular faults I find with this measure is this. If we are going to use the chartered banks for the purpose of credit expansion, why do we not avoid them and use the Bank of Canada for the same purpose? I shall show later on how I think that can be done.

There is in the bill a provision whereby the down payment will be lessened to a degree, and this may be of some assistance. But, as I said a moment ago, 50 per cent of our people receive less than $1,500 a year. According to the minister's own figures, two-thirds of the people of Canada cannot afford either to own or to rent homes.

If we are both correct—and I think we are—that means that the down payment must be brought down to a point much lower than it was under the old legislation. But that is not going to be done. The down payment of 20 per cent is going to be reduced to 10 per cent. It is to be 90 per cent of the first $8,000 and 70 per cent of the balance of the lending value. In other words, on a $10,000 house, on which the lending value is $8,000, the down payment is to be $1,400 where it used to be $2,000.

Of course, that is a fallacy; you cannot build a home for $10,000. Indeed, the minister himself recognizes that and is prepared to raise the $10,000 to $12,500 or possibly $13,000. I think that is a good thing, because you cannot build much of a home for $10,000.

On his own statement the $8,000 loan would require a down payment of $1,400, representing a reduction of $600. How many people in the bracket to which the minister referred, and to which I, too, have been referring, have the $1,400 required for a down payment? If we are going to attempt to improve housing conditions for those people to whom both of us have referred, this legislation cannot possibly do it, without some further adjustment. It just cannot be done.

The income requirements as indicated under the old act are not being changed in this one. There is no change in the 23 per cent relationship between gross income and the monthly payment. That is not being changed; it is being left as it was. And because of that these people are just not going to be able to afford that high monthly payment. In my view that payment is altogether too high.

The bill incorporates the new principle of the single insurance premium on three types of homes, namely home ownership, rentals and conversions. By issuing this insurance premium it is expected by the government that lenders will be more ready to extend loans than they were before. I do not think this will prove to be so. It may result in the chartered banks, which are being brought into the picture, making loans in addition to what was done before. Because of that factor more money will be spent on home building. It will be spent, not by the group in the low income brackets, but by those groups who are in a financial position where they can afford the down payment.

This insurance plan will entail the 2 per cent being capitalized in the mortgage loan. When the hon. member for Eglinton (Mr. Fleming) spoke the other day and referred to the down payment of $1,400 on the $8,000 loan he included 2 per cent of $8,000, which is $160, in the down payment, and the minister nodded his head in agreement. Later on he made a correction and stated that this would not be included in the down payment.

Mr. Winters: On a matter of privilege; I made no sign of agreement at all when the hon. member for Eglinton made that statement.

Mr. Johnston (Bow River): I thought you did, but I am glad you are clearing that up now. As I understand the act, that amount would be incorporated in the amortization of the loan. So the borrower would not have to pay off that $160 immediately; it would be spread over a number of years. But he still has to pay it.

What advantage is derived from this by the borrower? It is an added cost of $160. What advantage does he get? He does not get any advantage at all.

Mr. Winters: He gets mortgage money.

Mr. Knowles: At a higher price.

Mr. Johnston (Bow River): If he had a good bank account of perhaps $5,000 he could get lots of mortgage money. This does not seem to be a square deal. I will give the minister credit for sincerity in what he is doing, but I would point out to him that in this instance we are trying to make houses available to those people in the low income brackets; and yet he adds $160 to that loan, right off the bat. They must pay that much more than they paid before. The only insurance is to the lenders and the banks; there is no insurance for the individual at all except that, as the minister pointed out, he will now get the loan if he can meet other requirements. Of course, the poor fellow cannot do that anyway.

This is a very bad situation. The bill speaks particularly about default. If the borrower is ever in default he loses his equity in the house. Let me read the explanation appearing at page 11 of the bill, opposite section 9.

Mr. Deputy Speaker: Order. The hon. member should not refer to a particular clause in the bill.

Mr. Johnston (Bow River): No, I am not referring to a clause in the bill. It reads:

> This section sets out what will be paid to an approved lender in respect of a loan that has gone into default. Under the section, in order to qualify for payment, the approved lender must secure title to the mortgaged property and convey such title to Central Mortgage.

Mr. Deputy Speaker: Order. Will the hon. member not agree with me that he is doing indirectly what he should not do directly?

Mr. Johnston (Bow River): You may be right there, Mr. Speaker, because I was reading the explanation on the opposite page.

Mr. Knowles: You will find the same explanation in the minister's speech.

Mr. Johnston (Bow River): Yes, it was given in the minister's speech, too. But let me summarize it this way. Once a borrower becomes in default, then the lender has no alternative but to foreclose on the loan after it is in arrears for six months. The lender must do that if he is to retain the benefits of the insured loan. He has no alternative. I think that is bad. The minister may recall that on one occasion a couple of years ago I had with me in the house when making a speech a copy of the form of contract signed between Central Mortgage and Housing Corporation and the home owner. I think they are using the same general contract, but the minister will correct me if I am wrong. In it there is a clause stating that if the borrower falls into default for a period of only one month he loses all his equity in his home. If he has paid every insurance premium and has made every payment with the exception of the last one and then defaults on the last one he loses everything he had.

I tried to get that clause taken out of the contract but the present Minister of Trade and Commerce (Mr. Howe) got up and said: Oh well, sure it is there, but our mortgage companies would not do a thing like that. He has more faith in them than I have. If they did not intend to use it why was it put in the contract? But here we are incorporating the same thing into the act. Once a home owner is in default the lending company has no alternative, if it wants to keep its business in a sound position, but to foreclose. The man who owned the house has paid a 2 per cent insurance premium, but for what protection?

Another phase of the bill is that the interest rate is going to be raised. That is almost a certainty. Is that lessening the burden on the home owner? Is that making it possible for this two-thirds of the people of Canada to become the possessors of homes? Of course not. We are making it more difficult. The only good feature is that there will be a longer amortization period and the payments may be smaller. I think any businessman will tell you that the ordinary fellow just cannot afford to pay 5 per cent on borrowed money. I know that if you can borrow money from the bank at 5 per cent and make 10 per cent on it that is good business, but the people concerned here are not in that position. They are in the position now where they must pay more interest than they did under the old legislation. Their debt is greater.

I think that possibly some device could have been used to bring about a lower interest rate. The rate is not set by statute. It depends on the governor in council. It is possible that people may be paying more than 5¾ per cent. Before long they may be paying 6 per cent. But it does seem to me that there should be a definite figure in the bill so that members of the house and the people of Canada may know what rate of interest people are going to be required to pay. I know that when the individual will enter into a contract he will know what the rate of interest is because it will have been set by that time for that particular period.

There is one good thing about the bill, the fact that the period of amortization has been lengthened from 20 to 25 years. But I am afraid that the over-all results of the legislation are not going to meet the expectations of the minister. I know it is going to result in the building of some homes. The old

legislation had that result, but not for the two-thirds of the families of Canada to whom the minister referred who just cannot afford to own their own homes. They are not going to benefit very much from this legislation.

I said that I would present a plan. I have advanced it before. It is not new but I think this is the time to present it again because the hon. member for Winnipeg North Centre (Mr. Knowles) accused the government—here I am coming to the government's support again—of stealing some of their proposals. Let me say to the C.C.F. that they are pretty good thieves in that respect. After I had presented our Social Credit proposal last session they came down to the same rate of interest, and this session they have adopted the principle of a revolving fund. I am not criticizing them for doing so. I am glad they have been converted to a sound idea, and I trust that the government will give some consideration to it because the proposal which I intend to make is not something that is new. It is something that has been tried out and has been found to be very satisfactory.

The Social Credit proposal was and is that the federal government should set up a revolving fund. This money should be issued through the Bank of Canada. It is correct to say right off the bat that this would be an expansion of credit, but the minister cannot criticize that because that is exactly what he is doing in amending the Bank of Canada Act to permit chartered banks to expand their credit. Under my proposal the federal government would set up a revolving fund of $300 million, let us say. I do not know how much it would take. That is merely a guess. It might be $500 million, but such an amount would only equal the interest rate on our national debt for one year, so it is not a big sum.

This money would be issued by the Bank of Canada and it should be lent to the municipalities through the provinces. A while ago one of the socialist members suggested that the money should be given directly to borrowers by Central Mortgage and Housing Corporation. I do not think that is the proper way. I think we would get into more difficulty than we are in now. I think we must have the type of set-up where the responsibility of constructing proper homes is going to be narrowed down to a smaller field than the whole of Canada. It should be narrowed down to the municipalities.

I said that this project had been tried and found very satisfactory. The Alberta government set up what they called a self-liquidating fund for the improvement of property through sewage, lighting and water works for municipalities. It lent the money to the municipalities at a rate of 2 per cent, and as the monthly payments were made the money was available to re-lend to other municipalities. The same principle could be used in the case of money lent from a revolving fund for the purpose of building homes. There is no better security, and the money would come back in monthly payments and could be lent again for other projects. When the municipalities received this money they would be in position to set up construction committees which would have the responsibility of seeing that houses were built according to plans and specifications. That is not being done under Central Mortgage and Housing Corporation. I was told by one of the officials that all the inspectors have to do is to see that a house is built sufficiently strong in order to insure their equity in it. They do not have to see that it is built according to the standards laid down by Central Mortgage and Housing Corporation. I think that that is wrong.

I have looked over the standards set up by Central Mortgage and Housing Corporation and I think they are exceptionally good. But we should see that we have the machinery to make sure that these specifications are lived up to. As I say, when you have an organization like this spread over the whole of Canada it just becomes too big a job for any central outfit in Ottawa. The municipalities are on the spot and would be able to see that these houses were built according to specification. If the federal government is going to set up a revolving fund I see no reason why they should not have inspectors to see that the municipalities are living up to the building standards laid down by the federal government. That would not be too big a job.

These down payments of which we have been talking and about which I have been criticizing the government could be made more reasonable. I am sure that a down payment of $500 would be a good starting point and maybe it could be made smaller than that. In any event you would immediately have $500 of an equity and then as the monthly payments were made the equity would become greater. If a house is well built it is good for 25 or 30 years and there would be no possible chance of loss. That has been the experience in Alberta because they have found that under their revolving fund they have not lost any money and the money has been coming back in very satisfactorily. The amortization period could be increased from 25 to 30 years.

I see no reason why the government should not start out with a plan such as this. No doubt it would need some changes but I think the principle is basically sound. I think it will

be found that when you lend money at 2 per cent for home building, the money being issued by the Bank of Canada, it will result in a greater number of homes being built for that class of people to whom the minister referred, and to whom I referred, but who are not now in a financial position either to own or to rent homes. That is what we all hope will happen under the present legislation. I am afraid it will not, but we are hopeful. I am sure that if the proposal which I have suggested is adopted the results I have mentioned will accrue.

I hope my socialist friends will read it over more carefully than they have read other proposals in the past. I hope they will go further and adopt the whole thing. After all, I do not care who adopts it. My main concern is to see that those people who are not now getting homes are put in a position whereby they can have comfortable homes in which to rear their families.

Mr. P. T. Hellyer (Davenport): Mr. Speaker, I should like to say at the outset that having read this bill I believe it is an excellent bill and I think congratulations are due to all the people who are responsible for it. There are some things in it which are complicated and it may take some time to find out exactly how they will work. However, I know that the minister and the government want it to work. They want to increase the level of house building in this country and they will do everything necessary to see that it does work. It should make possible a continuation of the large house building program of last year.

Before going any further I should like to say that I think some words of commendation should be given to the particular insurance companies who did such an excellent job under the old act during the last few years. It is true that some companies did not do as much as others, but I think some of them in particular were influenced by their recognition of their public duty. I think they went perhaps farther than they otherwise might have gone under the National Housing Act as a result of their recognition of what they felt was their social obligation, and that action should be recognized.

Five companies in particular carried the ball as far as mortgage financing under part I of the act was concerned. I do not know whether I should mention them, but I think their names are widely known. The companies are Canada Life, London Life, Mutual Life, Prudential of America, and Sun Life. They have been the really strong supporters of the National Housing Act as we presently know it.

[Mr. Johnston (Bow River).]

However, their resources proved to be insufficient to provide housing for all those Canadians who needed housing accommodation and alternative sources of additional funds had to be found. I am positive the new legislation will overcome this liability and will make available sufficient mortgage funds to continue the high level of house building. The rather unique economic possibilities of the provisions of this bill will be very interesting to watch and I think that in future the beneficial effects may far exceed our fondest expectations. This is something which those of us who have the privilege of being members of the banking and commerce committee should investigate most thoroughly because I think it is one of the most important developments in this country in several decades.

There are two aspects of the housing problem which I should like to discuss in particular this afternoon, the first being land assembly. In commenting on the provisions for land assembly contained in the new bill the hon. member for Eglinton (Mr. Fleming) said yesterday that there was nothing new and added that "this principal bottleneck still continues". The hon. member is quite correct in saying there is no change; there does not need to be. Provision was made in the present act in December, 1949, by which provincial governments, in co-operation with the federal government, could do a great variety of things to assist in the house building program in Canada. Included in this section was provision for the assembly of land to be made available to builders or for direct construction.

Unfortunately the Ontario government has done practically nothing under this section, particularly in the Toronto area in which I have a special interest. Since December, 1949, this stubborn inaction on the part of the Ontario provincial government has cost home purchasers in the Toronto area alone at least $36 million. Recently the premier of the province of Ontario decided that in order to co-ordinate the development of that great area, the city of Toronto and suburban municipalities, he would set up a metropolitan council, an innovation in municipal government in this country. One purpose of the metropolitan council was, it was stated, to provide logical development and to end illogical development.

One of the first acts of the metropolitan council in co-operation with the Ontario provincial government, after four years of complete inaction, has been to announce that they are going to purchase 2,000 acres of land at Malvern, Ontario, subdivide it, and make it available for house building.

For those hon. members who are not familiar with the environs of Toronto let me say that Malvern is miles away from the city. The price it is proposed to pay for land in this isolated area is the same price for which they could have bought land adjacent to the city had they bought it after the section was brought into effect in 1949. It seems fantastic that the first action of a council, which was brought into being to end illogical development, should be to undertake one of the most illogical developments that has happened there in many years.

There was a statement made in the Toronto papers with regard to this proposed project, and since it is entirely erroneous I would like to say a word about it. This statement was reported in the Toronto *Evening Telegram* dated December 24, 1953, and reads as follows:

> Metropolitan chairman F. G. Gardiner estimates a reduction of $2,000 in the price of the lot for a house, compared with the ordinary subdivision set-up.

He is referring here to the proposed subdivision of Malvern. This estimate, Mr. Speaker, is completely misleading. The only real saving is in the price of the raw land. The services which will have to be supplied in this isolated location will cost at least as much as they would on land adjacent to the city, and perhaps more. Giving them the benefit of the doubt, the real saving might come as high as $500 a lot. If this is so, the extra cost of transportation, telephone and other facilities over the 25-year term of the mortgages on these houses would exceed any possible saving.

The hon. member for Eglinton is absolutely correct. The problem is there but the Ontario provincial government has waited four years to do anything about it and still shows very little interest, and what they have done is certainly not what could be done to assist.

The other very important feature I would like to mention is the cost of construction. An editorial in the Toronto *Globe and Mail*, dated January 15, 1954, entitled "Who's to stop it?" on the subject of building costs states in part:

> Why, then, is the cost of new housing "increasing every day?" Why did the cost of the average National Housing Act dwelling rise from $10,194 in the first half of 1952 to $10,788 in the first half of 1953, and why will it be well over $11,000 in the first half of 1954?

In answer to that question, Mr. Speaker, I would like first of all to say that the houses are larger. It is quite elementary that larger houses cost more money and therefore if the average size of the houses increases, if they contain greater floor area, it is certain the average cost is going to be higher, even on the same unit cost basis.

Second, the houses contain much better and more expensive equipment. This, of course, is not reflected in the statistics, which give only the average prices and which do not mention equipment such as heating, plumbing, and other items which tend to make the houses better and more liveable.

Thirdly, included in these average prices for houses is the cost of land; and the price of land, particularly in the Toronto area, has been inflated considerably in the last year or two. If you take the same size of house with the same equipment in that area, exclusive of land, it can be built for less money today than it could eighteen months ago. That saving is due entirely to an increase in productivity.

I would like to quote another paragraph from that same editorial in the Toronto *Globe and Mail*. It reads as follows:

> The process continues. Workers in the construction industry, and the various industries which supply it, are demanding and getting wage increases without productivity increases to justify them. So, every day, the cost of new housing increases. So, every day—regardless of what parliament does to the N.H.A.—it becomes a little more difficult, a little more dangerous, for the average Canadian to own his own home. Who's to stop it?

It is dangerous to quote statistics without adequate explanation. I think the *Globe and Mail* can answer its own questions. If the cost of land in Toronto today was the same as it was eighteen months ago, houses of the same size would be selling for less money. That is how it can be stopped. The *Globe and Mail* has considerable influence with the provincial government and I am sure if they really want to stop it they know how to go about it.

This bill, Mr. Speaker, if it makes more mortgage money available will permit the building industry to streamline its operations even further. It will allow increases in productivity due to better planning. One of the great drawbacks in the industry is that with so few mortgage commitments builders could not plan their operations more than a few weeks in advance. That makes it very difficult to achieve the economies enjoyed by other industries. With a steady stream of mortgage money which, we hope, will now be available, plans can be made months and even years in advance. Engineering and architectural costs can be amortized over a greater number of units. The product can be improved as it has been improved over the last two or three years and at the same time

the increase in productivity and efficiency should make it possible to maintain prices at approximately their present level.

With reference to prices, there is just one thing I would like to add. Some hon. members in their speeches in the house yesterday indicated they would like to extend the 10 per cent down payment to higher-priced houses. I am not sure this would be a blessing at the present time, because if it did in fact bring more purchasers into the market than there were houses immediately available it would only add to the inflationary spiral and raise the price of houses and housing materials and price the industry further out of the market. I think that it might be quite an unfortunate development. Later, as the supply of housing grows and when the effective demand under the presently proposed regulations is more adequately met, would be the time to consider more lenient provisions as far as equities are concerned.

Another thing that was mentioned yesterday, in particular in the Toronto and Ontario sphere, was the shortage of schools. I think that our Ontario provincial government could make a real contribution in that regard, in making it easier for municipalities to provide the necessary facilities. From reading the newspapers during the last two or three days one would think that if they were able to streamline their department of highways, they might be able to make savings which they could then make available to assist the municipalities with the construction of new schools.

Finally, Mr. Speaker, just in a general way I should like to say that great improvement has been made in the house building industry in the last three or four years. Hon. members must keep in mind the fact that the capacity was extremely limited immediately after the war. Very few houses were built during the depression; very few had been built during the war. The availability of skilled tradesmen was hampered in view of the fact that few men had gone into the building trades during the depression and the war years. In the course of expansion the building industry was obliged to employ anyone they could get; and sometimes they were what you might call hammer and saw carpenters. However, they did a job; and they did it as best they knew how.

Some of the housing of the early post-war years was not very good. There is still some that is not very good. But as a general rule, the quality of the houses being built in Canada—and in particular those being built under the National Housing Act—is improving every year, and even from month to month. The quality of design is improving. More builders are using the services of architects. The quality of materials is improving. The planning of the location of houses and the general planning of subdivisions is improving considerably and the tendency is all in the direction of further improvement. I think it is reasonable to assume that we can expect these trends to continue.

Many provisions of the new bill are designed to accelerate the improvement that has been going on for the last several years. I think it is fair to say that the new bill will do a tremendous amount for the people in Canada who need houses. Undoubtedly its effect on rents will be reflected in the months and years that lie ahead. Rents that now in some cases are exorbitant will settle automatically as the law of supply and demand comes into effect.

In closing, Mr. Speaker, I should again like to congratulate the minister and his assistants and to wish them well. I think that we shall watch the bill closely in operation. I am sure that there will be some things that will have to be changed in a year or two. But I am certainly one who will go along with the bill as it now stands and will help to support any changes that might be necessary in the light of experience, in order to make it operate more satisfactorily.

Mr. George H. Hees (Broadview): Mr. Speaker, in my view this new bill is nothing but a gigantic bluff which is designed to kid the people of Canada that something is going to be done. I think it is more like a bomb that just is not going to go off. People are going to find that they are not going to get any more houses built, to any great extent, than are being built at the present time. They are also going to find that it does very little to help them buy a new house.

In the first place, Mr. Speaker, the minister is only aiming at building about 100,000 houses a year. It has been demonstrated by statements by one of the leading advisers to the government in this field, and the president of the Canadian Construction Association, that the building industry, if given a chance, can build up to 125,000 or 130,000 houses a year. But the government is aiming at building 100,000 houses a year, with a demonstrated backlog of at least half a million houses which are badly needed by the people of Canada today.

I think this bill is completely inadequate to do the job it is supposed to do, which is to help us catch up with our backlog of half a million houses. I think it is inadequate for two main reasons. First of all, it is not going to help those who need most to buy a new house, to obtain the house they need. In the

second place, there is no indication that there is going to be any more mortgage money available than is available at the present time.

I should like to deal with each of those questions in turn, and I want to begin with the income which the government says a man must have before he can apply for a National Housing Act mortgage. I think we will all agree, Mr. Speaker, that the cheapest house you can buy today under the National Housing Act is one costing $10,000. Under the new act a man must be receiving an income of $3,860 a year before he can apply for an N.H.A. mortgage. The average income of all people in Canada who received salaries or wages during the past twelve months was $2,970. If a housing act is to do the job it is supposed to do, I believe it must at least make it possible for a man earning an average income to buy his own home. I therefore think that the income requirement of $3,860 must be reduced to an income requirement of $3,000, which is merely the average income received by all Canadians receiving salaries and wages during the past twelve months.

Mr. Winters: In order to make this point clear to hon. members, perhaps my hon. friend would say to what he is relating the figure of $3,860?

Mr. Hees: I should be glad to do that, Mr. Speaker, because the figures have been worked out for me by officials of the minister's own department. It works out in this way. The lending value of the house is $10,000. The down payment is $1,400. The mortgage loan is $8,600. To that would be added a premium of $172. The mortgage is actually written for $8,772 at 5¼ per cent, once again using the rate under the old legislation. If this is to be a 25-year mortgage, principal and interest amount to $52.42 a month—

Mr. Winters: $52.45 a month, is it not?

Mr. Hees: Yes, $52.45 a month is what I should have said; taxes $20 a month; fire insurance, $1.50 a month; and the note says this $1.50 is a more considered opinion than was given in the two previous examples. The total charges on this mortgage would be $73.95 per month. The income required to carry such a mortgage at the 23 per cent ratio is $3,860 per annum. Those are the government's own figures. As I say, the income requirement of $3,860 has been worked out on the basis of a man being allowed to spend 23 per cent of his income on the carrying charges of his house.

I say, Mr. Speaker, that if a man wants to spend more than 23 per cent of his income on the carrying charges of his house, that is his business. He should be allowed to do so. Who are we to tell a man how he is to spend his income? If a man wants to do without a car, or if he wants to do without a television set or the various other things that might be necessary to make it possible for him to pay considerably more than 23 per cent of his income toward the carrying charges of his home, I would say that is his decision to make. In addition to that there may easily be, and today generally are, other members of the family who are wage earners who would be glad to contribute toward the carrying charges of the house. Therefore I feel it is only reasonable and sensible to reduce the income requirement applying on Central Mortgage and Housing Corporation mortgages to $3,000 per year or $60 per week.

I feel that this change will make it possible for a great many people, who today cannot buy their own homes, to purchase homes. It will still leave more than half the people of Canada unable to buy homes. In order to overcome this problem I believe Central Mortgage and Housing Corporation must alter its building specifications to allow less costly types of construction. I do not mean that we should allow contractors to build match boxes or inferior types of houses. I have been shown plans by builders which embodied attractive two-bedroom houses with living room, dining room, kitchen and bathroom, as well as a full cellar. These contractors will be glad to sell these houses for $8,000 provided the Central Mortgage and Housing Corporation will alter the building specifications. These houses are no myth. They can be a reality. They are attractive. They simply do not contain some of the frills that Central Mortgage and Housing Corporation now requires in houses under the National Housing Act.

These houses would not contain as much brick as Central Mortgage and Housing Corporation houses do now. They would be of good, sturdy, attractive construction. They would last for many, many years. I believe it is important for us to make houses available to the working people of this country at less than today's cost. As I say, these houses would provide for families with one, two or three children, and would allow a man to carry the charges if he were earning about $2,500 per year. This would bring into the field of potential purchasers a tremendous number of people who today want to buy their own homes and are prohibited from doing so.

National Housing Act

I believe the second requirement for us to catch up on our housing backlog is to make it possible for people to afford the down payment on a house. This bill provides for a down payment of 10 per cent on the first $8,000 loan and 30 per cent on the remainder. As I said earlier, the cheapest Central Mortgage and Housing Corporation house you can buy today costs $10,000, so the lowest down payment today would be $1,400. This is still beyond the reach of the man earning a moderate income.

Building costs are increasing steadily, and if the new act is to be effective for any length of time that down payment should be 10 per cent on all houses up to a value of $12,000. If building costs continue to increase, as they give every indication of continuing to increase, it will not be long before the cheapest house you can buy under the National Housing Act will cost $12,000.

In addition to the down payment, the amortization is a very important factor in making it possible for people with moderate incomes to buy new houses. Under this bill the amortization period has been lengthened to 25 years. I believe the amortization period should be lengthened to 30 years, because that would allow a great many more people to carry the charges on new houses than would otherwise be possible. It can be done without appreciably increasing the risk to the lender, because builders tell me that today Central Mortgage and Housing Corporation houses will last for anywhere from 50 to 70 years. If the amortization period is increased to 30 years, this will still leave the lender a generous margin of safety.

In order to show how the thinking has developed in the United States with regard to providing houses for low income groups, I should like to quote a dispatch which appeared in the Montreal *Gazette* of January 9, 1954, under the heading "Radical Plan for Home Owner Urged in United States". The dateline is Washington; it is an Associated Press dispatch, and reads as follows:

> Senator Homer Capehart (Republican-Indiana) today suggested a $1,000,000,000 government program to help people buy homes on 50 to 60 year mortgages with little or no down payment.
>
> Capehart, chairman of the Senate banking committee which will consider President Eisenhower's housing proposal advanced what he called a "radical idea" of making home owners of citizens otherwise unable to afford their own dwellings.
>
> He told a CIO housing conference he had long been worried about the plight of citizens who cannot afford either a down payment on a home or "the high rents they are forced to pay today."
>
> Capehart disapproved past programs under which public housing has been built with federal subsidies for rent to low income families. He said it would be better to help such families finance their own homes.

[Mr. Hees.]

I think that dispatch is particularly interesting, owing to the fact it is not the statement of any airy dreamer but is made by the chairman of the United States banking committee, the man who will be given responsibility for putting through President Eisenhower's housing program. It shows how far thinking along these lines has developed in the United States. I do not agree with the suggestions he has made, but I think it makes the suggestions I am making, and the other suggestions I am about to make, seem very moderate indeed.

I believe, Mr. Speaker, in addition to making it possible for people to buy houses, it is very important that the necessary mortgage money to finance the construction of those new houses be made available. Under the provisions of the bill, banks will be permitted to deal in housing mortgages under an insurance scheme whereby the government will guarantee the mortgage. At first sight this would seem to make sufficient additional mortgage money available, but it seems to me one important factor has been overlooked. I have talked very recently with senior officials of two of our largest banks, and they have both told me that that part of their investment portfolios which they are permitted to invest in non-government securities is almost completely taken up with investments in commerce and industry.

If we are going to close the gap between mortgage money now available and mortgage money that is needed it seems to me, as it seemed to them, that some of the money which is at present being invested in commerce and industry will have to be diverted from those fields so it can be used for housing mortgages. This, of course, is going to slow down commercial and industrial development, upon which our whole economy depends. And if that kind of slow-down, which certainly we can ill afford, is to be avoided, the government must tell the people of Canada, and particularly the banks involved—because they do not know it yet—where these additional funds are to come from. We will be listening attentively to learn this from the minister, when he decides to tell us.

Another aspect of the matter, with which I heartily disagree, is the fact that the banks are not going to carry out their own appraisals and inspections. These tasks are going to be carried out for them by officials of Central Mortgage and Housing Corporation. This will give the government control over a very large proportion of the mortgage and lending operations connected with the building industry, and will place the government in an entrenched position, so far as that industry is concerned.

After all, the government is guaranteeing these bank loans. Therefore I can see no reason at all why the banks should not be ready, willing and anxious to bear the cost of their own appraisals and inspections, just as the other lending institutions that have been participating with the government in the building of houses over the past few years have been willing to bear the cost of carrying out their own appraisals and inspections.

I believe the banks should be instructed by the government right now to begin training the staffs they will require so that, in a minimum of time, they will be ready to function. I believe the eagerness—and there can be no doubt that there has been great eagerness on the part of the government in this respect—to take over appraisals and inspections from the banks is simply another demonstration of the government's intention to go on assuming more and more control over as many as possible of the proper functions of industry.

It seems to me that this is simply another example of this government's drift toward socialism, a government which is so fond of professing its adherence to the principles of free enterprise. I sincerely hope the banks will stand up to the government and insist upon doing their own appraisals and inspections, because that is the only way we can stop this drift of the government toward getting into business. My view is that so far as possible the government must be kept out of business, and I sincerely hope the banks will not permit the government to bulldoze them any further. I hope they will stand up to the government and say, "We want to do our own inspections and appraisals."

I believe that if the government insists upon doing appraisals and inspections it will reduce almost to the vanishing point the effectiveness of the 4,000 branch banks about which the minister spoke so glibly when he dealt with the matter in the house last December. It is obvious that if appraisals and inspections have to be carried out by Central Mortgage and Housing Corporation, a branch bank can be only as effective as the service it can get from the nearest Central Mortgage and Housing Corporation official.

I would say that if the government insists upon doing this work, then it might just as well go whole hog. It is guaranteeing the loans anyway, so it might as well go whole hog and make the mortgages available to the people who want them for the purpose of building houses. If it did this it could make mortgage money available at 4¼ per cent. The government pays to the people of Canada a rate of 3¾ per cent. Add half of one per cent, the cost of servicing a mortgage, and you have the 4¼ per cent. It must be one thing or the other; either bring the banks in and let them do the job completely, or else stop this farce and keep the banks out, and let the government do the job. Let us have it one way or the other.

I believe, really, that the only reason the banks are being brought into the picture is that the government wants the banks to do the dirty work when people have to be evicted from their homes. It seems very clear to me that when the nice things are going to be done, such as approving a loan, the government wants to be on hand with the smiles and chuckles, saying, "Oh, yes, here is your nice home, Mr. Smith. We are very glad to give you a mortgage, and it is only going to cost you so much. Just sign on the dotted line, and don't forget to vote Liberal next time you go to the polls, because, remember, we are doing it for you."

Then when that poor, unfortunate man—and there will be some—has to default in his payments, is the government going to go to him and say, "We are sorry, Mr. Smith, but you cannot stay in your house." Oh, no, the poor old bank has to do that; it then becomes the villain in the piece. The banker is the one who is hated by the person evicted. The whole thing becomes a farce: the government does all the nice things, and the bank does all the nasty things. The government carries out all inspections, and proceeds to kid itself and the people of Canada that the branch banks will be effective. Well, the branch banks will be only as effective as their nearness to an office of Central Mortgage and Housing Corporation. That is why I think this whole thing is a gigantic bluff, trying to kid the people into believing that they are going to be able to get houses cheaper and easier than they did before.

So much for that. I hope the government is going to pay some attention to some of these suggestions, because I believe the very best investment we can make in good citizenship is to make it as easy as possible for a man to own his own home. The home owner has a stake in the community, and I believe we will all agree he becomes the best possible kind of citizen. That is the greatest possible bulwark we can have against the inroads of communism.

In addition to the shortage of houses a person may buy, there is also an acute shortage of rental housing. Very little is available at reasonable rentals. A few weeks ago in Toronto I went to see a house put up by the Toronto metropolitan home builders' association. This house was erected to show

what the industry can do on a non-subsidized basis to provide the kind of rental housing people need at rentals they can pay.

This house is designed to meet the needs of people with one, two or three children, and earning between $2,500 and $3,500 a year. It is 18 feet wide and 23 feet deep. It has a front lawn, a back garden, two storeys and a basement. On the top floor there are two bedrooms and a three-piece bathroom. On the ground floor there is a living room, dining room and kitchen. The basement is full size with a coal furnace, hot water heater and laundry tubs.

The whole design of this house is most attractive. It gives you the impression it has been well thought out. It is well finished and very attractive to the eye. The floors throughout the house are hardwood with the exception of the bathroom and kitchen floors, which are of linoleum tile. The Toronto metropolitan home builders' association plans to rent this house at $58 a month; and on the basis of a man being allowed to spend 23 per cent of his income on shelter, this kind of accommodation can be carried by a man earning $55 a week.

During the first few days this rental unit was open for inspection more than 5,000 couples signed cards saying they were very anxious to have the opportunity of renting this kind of accommodation at $58 a month. The majority of the people who thought this type of accommodation was attractive were earning between $2,500 and $3,500 a year, and had two children. When I was there I listened to the comments made by the people going through, and they were frankly comments of amazement that such accommodation could be made available at a rental of $58 a month.

This kind of accommodation is in very sharp contrast to the single rooms in which families with four or five children are living today in Toronto, and I am sure in other centres throughout Canada, and for which they are paying as high as $60 a month rent. They are living in such accommodation simply because they cannot find anywhere else to go, and they live in constant fear that they are going to be evicted because of the children. I believe this type of project is a very good example of how the needs of people can be met by industry if industry gets down to the job, and remember that is on a non-subsidized basis. This kind of project is completely non-subsidized.

To make the project a reality the government must make available to those who will carry out the construction, money for land and construction at an interest rate of 3¾ per cent. I know the minister is going to say that money is available at that interest rate if the company is a limited dividend corporation. However, I see no reason why this interest rate should be confined to limited dividend corporations which are restricted to a return of 5 per cent on their investment, because we all know that if you have money to invest you can get better than 5 per cent today with very great security by putting your money into any good industrial common stock.

Therefore I say that if a co-operative effort like this can make available to people, in large quantities, the kind of rental housing they are anxious to obtain at a rental they are able to pay, then the government, on inspection and after satisfying themselves that the rent is fair for the accommodation which will be afforded, should make money available for construction at 3¾ per cent. It makes money available at the same rate of interest to housing projects that need a subsidy to enable them to pay their way, and it is the rate of interest which the government pays the people of Canada for the use of their money. I cannot think of any better way that money can be spent to good account.

Finally, I believe this legislation can be made effective if the following requirements are complied with. First of all, I think the income requirement to obtain an N.H.A. mortgage must be reduced to $3,000 a year. Second, Central Mortgage and Housing Corporation building specifications should be eased to permit a less costly type of construction which will make low-priced houses available to people in the low income brackets. Third, the down payment should be reduced to a flat 10 per cent on all N.H.A. houses up to a value of $12,000. Fourth, the period over which the loan can be paid off should be lengthened to 30 years. Fifth, the government must make it clear, in the very near future, where the money necessary to finance additional mortgages is going to come from without depriving commerce and industry of the funds being invested in those fields at the present time. Sixth, I believe the government must make funds available at 3¾ per cent to low-rental housing projects which do not require a subsidy, and which provide the type of rental housing that people want, at rents which they can pay.

If these six conditions are complied with, this legislation can materially help us to catch up on our ever-increasing backlog of half a million houses.

The Acting Speaker (Mr. Applewhaite): It being five o'clock, the house will proceed to the consideration of private and public bills.

There being no business under private and public bills, the house will continue the business under consideration.

Mr. Claude Ellis (Regina City): Mr. Speaker, I think it would be an understatement if I were to assert that this legislation will be a bitter disappointment to people throughout Canada. When the minister was making his statement on the bill the other day—and he made a very excellent job of putting forth arguments on behalf of the government—I could not help but feel that he made a very good speech on very weak material indeed. I could not help but be impressed by several of the speeches made by hon. members on the other side of the house praising the government for having brought in this legislation at this time. The only way to judge the effect of this legislation is to consider first of all the problems that it proposes to solve and then to examine very carefully the provisions of the bill to see whether or not it does in effect solve those problems.

The bill proposes to promote the construction of new houses, the repair and modernization of existing houses and the improvement of housing and living conditions. These are the broad objectives of the bill, and we must examine the proposed legislation to see whether or not it does in effect bring about these results. The housing problem of the country has been brought to the attention of the house on former occasions. The government is very fond of boasting of the number of houses that have been constructed, ignoring of course the fact that the population of our country has grown tremendously in the past number of years and that many houses have become so dilapidated that they have had to be replaced. In spite of these factors the government still feels very proud of the fact that many residential homes have been built.

I think the problem was best outlined in an article which appeared in *Maclean's* magazine on January 15, 1953. This was written by Sydney Margolius and he stated that on the basis of per thousand of present population the following homes were constructed in the years 1946 to 1951 in the following countries:

Sweden	41
United States	38·4
Australia	34·6
Canada	33·6
United Kingdom	20·7

He goes on to point out that the United Kingdom was busy repairing the ravages of war and replacing and repairing bombed-out dwellings during that particular period. But there is another column of figures having to do with the homes that were built to keep pace with increased population, and I think they are most significant. These are the figures of new houses per thousand of growth:

United Kingdom	897
Sweden	773
United States	417
Australia	304
Canada	282

I suggest that when we examine this matter closely we will see that in spite of the number of homes that may have been built in this country in recent years the housing problem is as serious today as at any time in our history. It is with that in mind that we have to examine this piece of legislation to see what the government proposes to do to bring about a solution of this problem.

Before going on I think I should refer to one other aspect of the housing problem. We sometimes think in terms of home construction and overlook the social aspects of housing. Sometimes we hear it said that the government cannot afford to spend money on housing, that it is the taxpayers' money, that it is subsidization or, as one hon. member suggested, that it is socialism. I think that is a very shortsighted policy. We must remember that poor housing breeds many social conditions which become a charge on and an expense to society. In going over some recent newspaper clippings in regard to this matter I was interested to read a report in the Montreal *Gazette* of February 27 last, as follows:

> The government inaction on housing problems was blamed last night for the increased juvenile and parental delinquency by Rev. Patrick J. Ambrose, director of the city welfare bureau, at his annual meeting. "Deplorable living conditions, lack of adequate housing, high cost of basic commodities have become in greater and greater number contributing factors to domestic and marital breakdown," he said.
>
> "The increase of parental and juvenile delinquency is the direct result of the deplorable housing shortage."

Independent surveys have been made from time to time, and I was interested in a survey made by Leon Gertler of a number of representative metropolitan cities in the United States. He found that although slum and and blighted districts comprise 20 per cent of the metropolitan residential area, they have:

33 per cent of population
45 per cent of major crimes
55 per cent of juvenile delinquency
50 per cent of diseases
45 per cent of city services cost
6 per cent of tax revenue

I suggest that when we consider housing we must realize that there are many social aspects to this problem which may become an expense to the taxpayers of this country,

whether at the federal, provincial or municipal level. Thus when we think of housing we must consider that the creation of good housing conditions in this country will go a long way toward bringing about more desirable conditions in so far as social welfare problems are concerned.

Other aspects of this legislation have been brought to the attention of the house by some of my colleagues. I think perhaps one of the most significant aspects is the interest rate. As the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out this afternoon, we in the C.C.F. have long had a three point policy in respect to housing. During the last election the Liberals chose to appropriate for themselves two of those planks, but unfortunately two without the third is not an effective combination.

Simply decreasing the down payment and increasing the period of amortization are not in themselves going to bring about the most desired results. It is only when we decrease the down payment together with an extension of the amortization period and a lowering of the interest rate that we are going to get the full benefits of the policies which we have advocated.

I think all of us are only too painfully aware of the part that interest plays in the purchase of many things, such as houses, cars and so on, which may be purchased on the instalment plan. It can be most illusive. We see stores offering to sell goods for 10 per cent down while other stores will offer to sell goods with no down payment. It seems nice to be able to buy goods on that basis, but over the long run you will find that under normal circumstances of financing the goods will cost more.

Under the circumstances we realize that it is necessary in this country to provide the lowest possible down payment. As a matter of fact a great many of our people have not a down payment of any kind to make. It is also most necessary to extend the period of payment over a longer term in order to make it possible for more people to purchase homes. But unless there is a corresponding decrease in the interest rate the benefits are not going to become available to many people.

We know that a person with a mortgage of $6,170 at 5 per cent on a 20-year basis will pay a total of $9,840, or $3,670 more than his original loan. We thus see the great part played by interest in the purchase of a home. Let me put it another way. The amount one could borrow with fixed monthly payments at 5 per cent on a 20-year basis is only slightly less than the amount he could borrow at 6 per cent on a 25-year basis. In the first case the amount is $3,460 and in the second case the amount is $3,550. Put it another way. The difference between a mortgage at 5 per cent and one at 6 per cent is only slightly less than 5 years of mortgage payments. Thus we see the vital role played by interest in the financing of home purchases.

Hence any benefits under the new bill in so far as a lower down payment and increased amortization period are concerned will not bring the most desirable results if the government fails to lower the interest rate. I will grant you that under the new bill some people will be able to purchase homes who might not ordinarily have been able to do so, but it must be remembered that in many cases they are going to have to pay more as a result of the longer period of repayment on the loan.

We of the C.C.F. have always advocated a lower interest rate because we believe that it is only through a lower interest rate that we can make it possible for a great number of Canadians to undertake the purchase of their own homes. A low rate of interest is a vital part of any housing program, and the lack of that low rate is perhaps the most glaring inadequacy in the present legislation.

As regards the insurance aspects of this bill, section 40 of the old act contained an insurance feature which, although very limited in scope, was not designed to operate at the expense of the borrower. Under the new act the prospective home owner will have to pay not only what we consider to be an exorbitant rate of interest but in addition an insurance premium which in some instances, since the insurance may be capitalized into the mortgage loan and amortized accordingly, may mean an increase of two-tenths of one per cent which, of course, will be added to the already high rate of interest.

I was very interested in the comments made in regard to free enterprise by the hon. member for Broadview (Mr. Hees). It has always interested me to hear comments by various members of the house about the virtues of free enterprise. But I have always understood that the reason the lenders were able to charge the high rate of interest was because they were lending their money at a risk. In other words, it was risk capital. If a man had money and he made it available to others then he risked that money, and was therefore entitled to a high interest rate or profit.

The situation we now face is that the government is taking away the risk and at the same time permitting lending institutions to exact the profits. Under this legislation

the government is stepping in and assuming the risk at the borrower's expense, while at the same time permitting the private lending institutions to take the profit. There can be no excuse whatsoever for a provision of this nature in this legislation.

It is rather amusing at times to hear the comments made regarding paternalism and the way in which people attempt to disparage the idea of the welfare state. They take exception to members of this group asking for increases in old age pensions or family allowances. They are prone to criticize us for being paternalistic and for going out of our way to help various sections of our population. But the amazing thing is this. They are glad to help out those who in the main require no help whatsoever. I have noticed that the larger a company is in this country the more likely it is to run to the government for help any time it gets into difficulties. Many of the bigger industries in this country have for many years enjoyed some form of government protection, yet these same people see nothing wrong with that. It is all very well for private enterprise to come running to the government for assistance, but it is a different story altogether when people who want to purchase homes ask for some assistance from this government.

The hon. member for Broadview suggested that this legislation was placing more power in the hands of the government. We feel the contrary is true, and what is actually happening is that the government is getting out of the lending field and turning over to private enterprise the last interest it had in housing. The government is doing that after having guaranteed the profits of private enterprise through the insurance scheme.

I find it difficult to understand the point of view of those who claim the government is taking too much upon itself at the expense of private enterprise. On this point there is one question I would like to direct to the minister, and I hope he will be able to give the house the information when he rises to close the debate. I wonder how important this insurance feature is, and I would ask the minister to inform the house how many mortgages under the old N.H.A. went into default over the past five years. If he can demonstrate that over the past five years a large percentage of the mortgages arranged under the old N.H.A. went into default, then he may at least have some pretext for advancing this insurance feature at this time. But I am doubtful that that has been the case. Perhaps the government is worried about a recession, or perhaps it is afraid of a slump. That would seem to me to be the only logical reason for inserting this feature into the act.

We have often been accused of being a group of crepe hangers and spreaders of gloom because we dared to suggest we ought to be planning for the future and taking care we do not once again find ourselves in the position we found ourselves in before the last war. I think the government ought to take the people into its confidence. Are they afraid of a drop in real estate values? Are they afraid of a slump? Is that the reason for the insertion of this insurance feature in this bill? That seems to me to be the only logical reason for adopting that feature at this time.

It will be interesting to learn how many mortgages went into default over the past five years, because the insurance companies have invested just under 20 per cent of their assets in mortgages. Under the new provisions of this bill it is unlikely the banks will be investing more than 5 per cent of their assets in real estate mortgages. These mortgages, of course, will be accepted as security by the Bank of Canada just in the same manner as government bonds. I find it difficult to understand why the government saw fit to place this burden on those who wish to buy homes, by requiring them to pay an insurance policy to protect not their own investment but the investment of the lending institution. If these people believe in free enterprise let them take the risk. That is the test.

Mr. Harkness: At 6 per cent.

Mr. Ellis: Yes, they are lending money at slightly under 6 per cent. They cannot lose because under this new act if a mortgage goes into default they are paid 98 per cent of the outstanding principal, and they are paid interest. They cannot lose. When we go down to the bank and deposit money in a savings account we earn interest at 2 per cent, the idea being that we are not risking the money. But the lending institutions will be lending money to prospective home owners at 6 per cent, guaranteed by the government at the expense of the borrower. Surely there can be no justification for this policy.

In the final analysis the effectiveness of this act will be determined by the number of people whom it affects. Some reference was made to this matter by the last speaker. I wonder how many people in Canada will derive direct benefit under this new housing legislation. Obviously this bill is designed to meet the needs of those who have incomes of between $3,500 and $4,000 a year or more. The last speaker gave a figure of, I believe,

$3,860. This legislation is not designed to meet the needs of those who receive less than that amount.

What is the situation? I went to the last available Canada Year Book and looked up the statistics with regard to income tax returns. This is what I find in 1950, the last year for which I have figures. I may say that it is not the amount of the figures but rather the relative number in each of the categories that is pertinent to this point. In the year 1950 I find that, of those paying income tax in Canada, there were 5,450 Canadians making income tax returns with incomes of less than $1,000. What is in the new act for them? I find that there were 740,070 taxpayers reporting incomes of $1,000 and up to but not including $2,000. What is in the legislation for them? I find that there were 848,960 Canadian citizens making income tax returns and reporting incomes from $2,000 up to but not including $3,000. I find that of those earning incomes between $3,000 and $3,500 there were an additional 243,000 Canadians, making a grand total of 1,837,480 earning $3,500 or less.

That number represents a little more than 80 per cent of the population of this country. Eighty per cent of the people of this country are earning incomes of $3,500 or less. Let us go down a little bit to those earning incomes of $3,000 or less. I find that a total of 1,594,480 taxpayers reported incomes of less than $3,000 a year. In other words, 71 per cent of the people of Canada making income tax returns are earning less than $3,000 a year.

What, may I ask, is in the act for them? What is this new National Housing Act doing for 80 per cent of our people? Assuming that some of the people at the very top with regard to income will have no need to ask the government for any form of assistance, I think it will be seen that it is reasonable to propose that not more than one-fifth of the people of this country will ever be in a position to avail themselves of any opportunities or benefits under this act.

Surely the test of a good piece of legislation is that it should take care of the needs of the majority of our people, and certainly of the needs of those people who are least able to take care of themselves. But what does this act do? As other hon. members have suggested, it shows more concern for those who perhaps can do something for themselves, and shows very little concern indeed for those who can do nothing for themselves. I suggest that the minister and the government explain why they have seen fit to ignore completely the needs of the vast majority of the Canadian people in this regard.

[Mr. Ellis.]

In connection with the situation throughout Canada there are many other statistics available. I was reading a copy of a brief submitted by a welfare council in the city of Montreal just a year and a half ago, which reported that about 70 per cent of the people of Montreal were earning less than $2,000 a year. I must take that figure as being fairly accurate. I think the social welfare people, such as the Red Feather agencies, are in a position to know the situation fairly well in their respective communities. When we realize the tremendous need for housing in this country, how can we be content when we find the government getting up and patting themselves on the back because they are advancing a piece of legislation that completely ignores four-fifths of the people of this country? We have suggested that this legislation should be changed in order to take care of the needs of those people who most need help. I suggest that we are not the only ones to suggest that it is time the government took some step in this regard and was prepared to do a little bit toward subsidizing home construction, if necessary.

I was interested in going back and reading an editorial that appeared in the Ottawa *Citizen* of April 9 of last year. It commented on the 600 applications which had been received for the 58 units of the Lowren Housing Company in the city of Ottawa. The editorial went on to say that under this scheme rentals were to be $55 a month and that no one earning more than $3,500 a year and having less than two children under 16 years of age would be eligible for such a house. But the editorial went on to point out that families earning less than $3,000 a year could not be expected to occupy such homes because they could not afford them. The *Citizen* went on to state:

> Such families need to be subsidized if they are to obtain adequate accommodation.

I do not think the *Citizen* is a spokesman for our group but I believe it is expressing what is felt by a great many Canadian people who maintain that it is time the government faced up to the housing problem in this country. I was also interested in noting an editorial that appeared in a financial journal which reached my desk the other day, namely the *Financial Times* of January 22 of this year. In this editorial the writer quotes from an address given by Mr. B. S. Vanstone, president of the Bank of Toronto. I am going to quote an excerpt from this bank president's address. The editorial states as follows:

> Dealing with this subject in the course of his address to the annual meeting of the Bank of

Toronto, B. S. Vanstone, president of that institution, stated that it is right and proper that the maximum number of Canadians should live in their own homes. But, he emphasized, this they can do only if construction and financing costs remain within their capacity to pay. If, he said, the need for extra houses in Canada is considered so pressing that private capital cannot be marshalled quickly enough to meet it, "then presumably public funds will have to be made available;" . . .

I do not think we are hearing from a socialist there, when he suggests that if private capital will not do the job, the government should step in and do something to correct this deplorable situation in the country.

As to this legislation, I feel that the government is looking at the entire problem of housing through the glasses of the private lending institutions and not from the viewpoint of the vast number of Canadian citizens who desire either to own their own homes or to obtain suitable rental accommodation. When the private lending institutions think of housing, what do they think of? They think of ways of increasing the flow of capital into housing, and they think in terms of increased interest rates. As a matter of fact, yesterday I was reading a little item in the *Financial Post* which suggested that the assumed solution to the problem of mortgage money is to increase the interest rate and to increase government guarantees.

That is precisely what this government have done in this legislation. They have given the private lending institutions a guaranteed return on their capital. They have removed all risk. Then, to add insult to injury, they have added the cost of protecting the private lending institutions to the other costs payable by the home purchaser.

We in this group have maintained throughout that we must look upon housing as a social problem and that we must get away from this feeling that the only way we can get houses built in this country is by going down on our hands and knees and begging the private lending institutions to come in with their money.

We go to the extent of guaranteeing their investments. Surely, if we consider the social implications of housing, we realize that poor housing has had a great effect on juvenile delinquency; it has had a great effect on domestic difficulties throughout the country, and it has had a great influence on our crime rate. We are told that is so by people who have made a study of these important problems. Surely the time has come for the government to consider housing from that viewpoint and be prepared, if necessary, to provide subsidized housing.

We are not the only ones in the country to suggest subsidized housing. The government chooses to ignore the representations made to it in many instances by people who would normally support the government. When the minister makes his reply at the end of the debate I wish he would tell the house why he considers that, when the government ignores the vast majority of the Canadian people, he can claim that this housing bill is any great boon to this country.

If this bill will enable one more house to be built, it is all right in so far as it goes. I suppose we should be thankful for small mercies. If it will enable one more house to go up, it is better than the old bill; it is better than nothing. But if the members of this government feel they can stick out their chests and brag about what they are doing for housing, and if this bill is what they feel will serve the needs of the Canadian people, then I suggest they are going to be in for a rude awakening.

It is all very well for some hon. members to say that people should make a down payment. I know many of my constituents, Mr. Speaker, who are living in rented dwellings. Some of them are paying $100 per month while they are earning $50 per week. How can they be expected to save money in that situation? It is all very well for some people to say they should be saving money, and perhaps 20 years from now these people might have the down payment on a home. In the meantime many of them are paying twice as much rent as they should be paying if they were buying their own homes.

So long as these people are forced to continue paying exorbitant rents, I ask in all sincerity how you can expect them to save the down payment on a home. I was talking to one gentleman some time ago and he said that it was quite true the new homes were expensive and beyond the reach of the average wage earner, but one had to remember that when people move into better homes they leave other homes for the people with lower incomes. What this man overlooked was that even if better housing is available, the time will come when a person who has the opportunity to move into better accommodation cannot afford it.

I wonder how many people who are living in tenements today, perhaps at very low rentals, are in a position to move into a suite at $85 per month if they had the chance. There are vast numbers of people in this country, as the Ottawa *Citizen* pointed out, on low incomes who, even if

these rental dwellings at $55 a month were made available, would not be able to afford them.

I have made these comments on this bill because I believe it will be a cruel and bitter disappointment to the people of this country. It is a mirage. This measure was announced with great fanfare. When I went home for Christmas some of my constituents were saying they would now be able to build a house. When the time comes to enter into negotiations and have the lending value of the building established, these people will find out this legislation is not all it is cracked up to be. It is going to prove to be a bitter disappointment to many of our people. We are opposed to that.

I do not want to take up any more of the time of the house, but I do want to sum up by pointing out that we are disappointed with this legislation because it completely ignores the housing needs of the vast majority of the people of Canada.

Mr. E. G. Hansell (Macleod): I rise at this time, Mr. Speaker, to take part in this debate. I wish to emphasize at the outset that I support the suggestion made by the hon. member for Bow River (Mr. Johnston) this afternoon concerning the revolving fund. I believe the suggestion is sound. The fund could be administered with a very small interest payment which, in reality, would amount to nothing more nor less than administration costs. I agree with him, and I believe that is not only one of the easiest ways of solving this problem, but it would be less expensive and less burdensome upon those who are desirous of obtaining their own homes. I support that suggestion, and I believe we shall have to keep harping on that proposal until the government sees fit to introduce some such measure.

In spite of what I may say this afternoon, I want it understood that we are desirous of doing everything possible to enable people to own their own homes. If this legislation is going to make that possible, then we are all for it. But I rather agree with many of the speakers who have preceded me that eventually the measure will result in disappointment. Once again, however, I wish to say that we are all for legislation that will enable our people to own their own homes. Personally—and I am speaking personally now—I am not so sure that that is the main objective of this bill. I have given this matter a good deal of thought, and I rather suspect there is another purpose behind this bill. I am going to explain exactly what I mean by that.

Throughout the war years and since the war there has been an inflationary trend. There has been an expansion in the money supply of this country. Of course there is bound to be a limit to which the banking institutions can go in increasing that money supply or what is usually known as the expansion of credit. Sometimes these terms are not completely understood. I would prefer, instead of using the term "expansion of credit", that the term "expansion of the money supply of Canada" should be used. There must be a certain limit to that; otherwise the expansion is going to exceed by far the total price of the production and inflation will get out of hand. There must also be a time when that inflationary trend must stop; and when that happens the reverse action is likely to take place. Instead of the inflationary period simply stopping it takes the opposite trend, and we would be in for a period of deflation which, of course, would mean a recession.

I believe the government sees that in the offing, and is coming to this conclusion. "We must be careful in this matter. Otherwise there will not be an adequate supply of money, and therefore we must do something about it". The banking institutions will say, "We have to be careful here, too. We cannot expand beyond a limit which would be dangerous for us." And so the government says simply, "Here is a way in which you can continue to expand the money supply of the country and, at the same time, be insured against losses."

I agree fully with the hon. member for Regina City (Mr. Ellis), who preceded me in the debate, when he said that it is the home buyer who is going to pay for the insurance against any risk that might be involved. I believe that is one of the chief purposes behind the bill.

No one wants to see another depression; and I think by the proper application of financial policy there is no need to fear a depression. If the government persists in pursuing the policy it has been following, then of course it must do something to bolster the situation, and must attempt to stave off any possibility of depression.

Much has been said by the minister and by others who have spoken in the debate about the vast amount of savings on deposit in the banks. They have suggested that therefore the banks should be given added power to lend these savings. I rise now to refute a misconception in the minds of some in respect of that kind of argument. The hon. member for Bow River (Mr. Johnston) has already said that the method behind the bill is an inflationary one, and he has pointed out that the banks do not lend their depositors' money. It is not proper to say that it is time the vast

amount of savings on deposit in the banks was placed on loan, because I repeat the banks do not lend their depositors' money.

I know the opposite view is held by many people. Indeed, this is sometimes taught in our schools. Before my boys passed out of high school they used to come home and tell me that their teachers and principals had taught them that the banks lend depositors' money. It is also being taught in some universities. I have met men with bachelor of commerce degrees who have told me that the banks lend their depositors' money.

Not so long ago in this House of Commons the hon. member for Iles-de-la-Madeleine (Mr. Cannon), speaking in the debate on the address in reply to the speech from the throne, referred to the government's intention to introduce this bill. The rules do not permit my quoting from *Hansard* from a previous debate but, in substance, he said that a great pool of savings was available. I remember his use of that phrase; in fact I wrote out the quotation which, under the rules, I am not allowed to quote. I do remember, however, that he made reference to the great pool of savings in the banks, and suggested that they should be permitted to lend them.

The hon. member is not a dunce by any means. I have not looked up his—

Mr. Knowles: Pedigree.

Mr. Hansell: —his pedigree in the Parliamentary Guide. I do know, however, that he comes from a distinguished family and is a barrister of no mean repute. Yet here is a man, educated in the law, with a keen mind, who actually expounds in parliament the misconception that the banks lend their depositors' money.

Not only that, but I happened to pick up a little paper known as the *Sentinel* which comes to our desks. I do not know how far that paper goes, how many subscribers it may have or the extent of its mailing list.

Mr. Knowles: It comes to us free.

Mr. Hellyer: I do not think anyone would pay for it, that's for sure.

Mr. Hansell: When the editor of a newspaper breaks into print it is likely that he will be quoted as an authority.

Mr. Knowles: That is what he wants.

Mr. Hansell: Yes, that is what he wants. I will say he is not an authority on this matter.

Mr. Pearson: Don't quote him, then.

Mr. Hansell: He says:

> The banks have not the money available which the government seems to think they have. The only way they could enter the home mortgage business on a worth-while level would be by calling in existing loans.

Evidently he thinks that the banks lend their depositors' money.

I should like also to refer to the speech of the hon. member for Eglinton (Mr. Fleming). He is not a dunce, either. I have a very high regard for him. I am not going to say that he does not know the truth of what I am saying but, if one may judge from his observations, I think he will have to be informed a little further in the matter. I notice that yesterday he made this statement, as found at page 1329 of *Hansard*. I am breaking into the middle of a paragraph, but I can assure hon. members that I have regard for the context. He said:

> On a recent occasion when the minister was speaking in the city of Toronto, he did hold out the hope that, without trespassing upon their existing volume of loans and investments for other purposes, the banks would have available a volume of funds arising from new deposits as the population increased.

Here he is quoting the minister himself, but I think he is quoting him with some degree of approval. A little further on in his speech he said:

> I know we can assume that the banks will co-operate; but I hope we are not going to contemplate any pressures being exerted upon the Canadian banks to put depositors' money into long-term investments on mortgages under this act . . .

I would take it from that that the hon. member believes that banks lend their depositors' money. A little further on in his speech he said:

> But let us recall, sir, that even though security is provided in that way, that in itself does not provide liquidity, because after all you can have a bank mortgage guaranteed against default, but if the mortgage goes on without default on the part of the mortgagor, the banks' funds are tied up. And they are tied up for periods up to 30 years, under the provisions of the new scheme.

I quote that because I should like to suggest to hon. members that it is not so much that depositors' money is tied up for that number of years as it is the collateral which the banks hold.

I want to refer to the minister's speech, and in doing so I am going to suggest that it is a little bit ambiguous on this point. I am saying it is ambiguous because that is the best way I can possibly give the minister some credit for, shall I be mean enough to say, knowing what he is talking about. But I am going to quote the minister, and if he means by his statement that the banks lend their depositors' money then he is wrong. If he means something else I would be happy to learn from him just what he does mean in

order to clarify the situation. Let me read what the minister said, as found at page 1314 of *Hansard* for yesterday:

> It is quite clear that if there is to be an increase in private lending additional funds must come from somewhere other than the present sources of institutional mortgage funds. The only other source of significant size stems from that part of the personal savings of individuals which year by year flows into savings deposits with the chartered banks. It is realized that at the present time these deposits are rather fully employed in other directions but we must remember that in conditions of normal growth in Canada there should be a substantial annual increase in savings deposits. Under our present laws these funds cannot move into the housing sector because the Bank Act prohibits bank lending on the security of real estate mortgages.

That is the part that is slightly ambiguous to my mind. Does the minister mean that these savings held by the people on deposit in banks are what the banks will lend if the Bank Act is changed to permit them to do so? If that is what he means, then I think he is wrong. Let me go on with what he said and then amplify it a little bit.

> It is important to remember that the chartered banks perform in Canada a function with respect to savings that in other countries is performed not only by the banks, but also by building societies, mutual savings banks and savings and loan institutions.

This quotation indicates to me that the minister is of the opinion that the banks lend their depositors' money. I continue:

> Because of the dominant position of the chartered banks in the savings field in Canada, and because mortgage lending is prohibited by the Bank Act, the housing sector is denied access to a large part of the funds which in other countries are available to finance home building.

Once again, I say it would appear to me that the minister is suggesting that the banks actually lend their depositors' money, which is not true. But if the minister intends instead to convey the idea that the banks must increase their cash reserves with the Bank of Canada so they will be enabled to expand the money supply of Canada by way of loans, then I would agree with him. But I do not quite read that in his speech. However, he can correct me on that point if he wishes.

It is one minute to six, Mr. Speaker, and we must go; but I am going to suggest that when I return I will read from the banking and commerce committee report of 1939 some evidence on this very point given by perhaps one of the greatest authorities in Canada, none other than the governor of the Bank of Canada.

At six o'clock the house took recess.

[Mr. Hansell.]

AFTER RECESS

The house resumed at eight o'clock.

Mr. Hansell: Mr. Speaker, before the dinner recess at six o'clock I was attempting to expound what I felt to be the object behind this measure for national housing. I had indicated that I thought the object was to retain to some extent the present inflationary trend; that the government were perhaps much concerned lest we should go into a state of recession by reason of the calling in of bank loans, and they felt one way to avoid that was to bring in a measure such as this in order to permit the banking institutions to lend money on mortgages.

In making those points I referred to several speeches that had been made in the house and to a press clipping which indicated that many were of the opinion that the chartered banks loaned their depositors' money. I referred to a little article which appeared some weeks ago in the Ottawa *Sentinel*, and I suggested that the editor of the *Sentinel* also indicated that he believed that the banks loaned their depositors' money. I quoted from that article, and after six o'clock one of my colleagues reminded me that while it was quite possible that one could get that impression from the article, at the same time the editor of the *Sentinel* may have realized something that was more or less hidden behind the lines of that article. May I repeat what the editor said:

> The only way they could enter the home mortgage business on a worth-while level would be by calling in existing loans.

The thought he may have intended to express was that the banks had almost reached the limit of their expansion, that is ten to one, and in order to go any further, which they were not permitted to do by the law unless they increased their cash reserve, they would have to call in some loans in order to continue their method of financial expansion. I make that possible correction because I want to be fair in my appraisals of quotations.

When we adjourned for the dinner recess it will be recalled that I had indicated I would bring to the house some authentic information which would refute any idea whatsoever that the banks loaned the savings of their depositors. I should like to refer now to evidence taken by the banking and commerce committee of this house in 1939. In the first instance I shall quote questions put to Mr. Towers, the governor of the Bank of Canada, who I think we must accept as an authority on these matters, by Mr. Jaques, who was then a member of this house. I

quote from page 455 as follows, where they were talking about the banks lending the savings of the depositors:

Q. I understood you to say they could not loan what did not belong to them.—A. The banks, cannot, of course, loan the money of their depositors. What the banks have done is to make loans and investments which result in a certain sum total of deposits.

For the sake of brevity I do not think I need read any further. Then follows an expansion of that idea. The point I wanted to bring forth was that the governor of the Bank of Canada said that the banks cannot of course loan the money of their depositors. At page 398 Mr. McGeer put the following question:

Q. So that if they have got up to the point where they have got bank deposits to lend—

It would appear as though at this point the governor of the Bank of Canada sort of butted in without waiting until Mr. McGeer completed his question, because he went on to say:

A. Well, they do not lend their deposits, of course.

That is pretty specific. Then I should like to quote from page 238 where the questions are being asked by Mr. Landeryou. I might point out that with the exception of Mr. McGeer it was Social Crediters who were asking these questions. I quote:

Q. Now, if the government went to the bank with $1,000,000 in bonds there would be an increase of $1,000,000 in the amount of money in the hands of the people in the form of deposits?—A. Assuming that no other change had taken place in the bank's position at that time, yes.

Q. In other words, when the $1,000,000 worth of bonds is presented to the bank a million dollars of money or the equivalent is created?—A. Again assuming that there is no decrease in its other investments or loans.

Q. I mean at the time, at the moment.—A. Yes.

Q. It is a fact that a million dollars of new money is created?—A. That is right. Of course, governments should not always go to banks in that connection; they should sell their bonds to investors.

That is true. That is what the government was doing throughout the time of war, but the result has not been very different because when they went to the people to ask them to buy bonds, the people in turn went to the banks to borrow money and the banks took the bonds as collateral and then issued new money by way of the loans, and the credit of the country was thus expanded.

Mr. Blackmore: They created it.

Mr. Hansell: They created it out of nothing. The questions continue:

Q. Yes. Now, the same thing holds true when the municipality or the province goes to a bank?—A. Or an individual borrower.

Q. Or when a private person goes to a bank.—A. Yes.

That should settle the argument, but I doubt whether it will. I am quite certain that if the same discussion comes up at the next session somebody is bound to bob up and say that the banks lend their depositors' money. They do not; they issue freshly-created money. That is the method of expansion by the banks.

I would like to refer once again to the remarks made yesterday by the hon. member for Eglinton (Mr. Fleming) because he made a point I thought was rather well taken in this connection, although I believe the hon. member is still under the impression that the banks lend their depositors' money. But here are the remarks of the hon. member as they appear on page 1329 of *Hansard* for January 21, 1954:

It is one thing, sir, to expand credit on commercial loans for a period, we will say, of nine months, but it is another thing to expand credit on mortgages having a lifetime of 25 or 30 years. In other words, it is an entirely new field so far as the banks are concerned.

The point the hon. member has made is to my mind the reason why the insurance scheme was written into the legislation. A period of 25 or 30 years is a long time to continue this expanded credit, because there is another side to this picture, namely that while the banks create new money every time they make a loan, that new money becomes the deposits of the people. These deposits, or savings if you will, in turn become a liability as far as the banks are concerned, because they have to pay that money out on demand. While it is true the banks, in making loans, release a fresh supply of money created out of nothing, these loans become deposits and automatically become liabilities to the banks. If the banks have to meet these liabilities over a period of 25 or 30 years then I personally do not blame them for saying, "If you want us to do that you had better guarantee us against loss". After all, their depositors and they themselves must be protected though, as previous speakers have emphasized, the government in providing that protection has made the prospective home owner pay the shot.

I have been dwelling on this matter of savings, and it may perhaps be presumed there are large savings deposits in the banks, but if there are I am inclined to think these savings must be in a minority of accounts. I say that because credit buying in Canada has now reached an all-time high. If saving deposits in the banks were as large as some might assume, then credit buying would become less and less all the time. Instead of

that it is constantly growing, and the bill itself in a sense is an accentuation of that very situation, although I am not criticizing the bill on that account because in the final analysis it is a choice of whether one wants to pay rent or put some money into what will in time become an asset.

Now, Mr. Speaker, I do not want to reach an anticlimax in the last few minutes at my disposal, and I will therefore conclude this part of my speech by saying once again that this bill to my mind is purely a financial rather than a housing measure. It is a purely financial measure designed to perpetuate the government's present inflationary policy.

The other points I want to make are in respect of administration. I believe it is time notice was taken of certain matters of administration under this bill. I believe any contractor or anyone who undertakes to build a house for a client should be bonded in some way or other so the borrower or the person building a home will not lose his money. I am not blaming the government for this, nor is it the fault of the Central Mortgage and Housing Corporation, but something has gone wrong in the initial administration in regard to some of these loans.

I wish to bring one case in particular to the attention of hon. members. I want to make it public not because I am blaming the minister but because other people should know what is liable to happen. I have a case here where a gentleman wanted to build a home. He got in touch with a contractor, evidently through a real estate firm, and he applied for a loan. He made a deposit of $1,330 with either the real estate firm or the contractor, I am not too clear which; but in any event either the contractor or the real estate firm in the meantime went broke and the result was that this prospective home owner lost his $1,330. I took the case up with the minister and he was good enough to look into it and inform me of the exact situation. I am sure the minister will not mind if I read his explanation into the record. This concerns the case of Mr. W. L. Blackburn and his National Housing Act loan application. This gentleman resides at Pincher Creek, Alberta. The minister's explanation was as follows:

> Mr. Blackburn's loan application (without any deposit) was filed with the Lethbridge branch of the corporation by a local real estate firm. It was not necessary to deposit any money with the application. On June 5 that office wrote to Mr. Blackburn and informed him that his application had been declined. The deposit was never under the control of Central Mortgage, nor was the real estate firm authorized to act on behalf of the corporation.
>
> I am very sorry that Mr. Blackburn has not been successful in having his deposit refunded and can only suggest that he consult a solicitor forthwith.

It seems to me, Mr. Speaker, that some steps should be taken to protect a person in that situation. There must be hundreds of people who do not know exactly what the initial procedure is in regard to these things. I believe every contractor and real estate firm that has anything whatsoever to do with the National Housing Act should be bonded so that when a person undertakes a loan he will not lose any money under the bill.

Now, Mr. Speaker, I have another couple of things I wanted to suggest but I see your keen eye on me and on the clock, so I had better stop. When this bill goes to committee I will perhaps ask the minister some questions along the lines I have indicated, and which I still wish to pursue. Let me conclude by emphasizing that I believe this bill is designed to perpetuate the present financial policy of the government.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I had no intention of entering this debate until last night when my friend the hon. member for Burnaby-Coquitlam (Mr. (Regier) mentioned part of my own riding and said that it was covered with tarpaper shacks. I am trying to get a federal post office from the Minister of Public Works (Mr. Winters) and it has been quite a hard selling job. I do not want him to think that Burnaby is a municipality of tarpaper shacks.

My hon. friend is new in the house and I want to be kind to him, but for the minister's information may I say that in 1953 the building permits in Burnaby totalled $20,697,000. There were 1,400 house permits granted to the value of over $10 million. Permits were granted for 14 apartments to the value of one-half million dollars, and permits for the extension of homes for the aged to the value of $134,000. Through you, Mr. Speaker, may I assure the minister that Burnaby is not a conglomeration of tarpaper shacks. We are extremely proud of our municipality. We believe that we have the finest residential section in British Columbia. I am quite sure the hon. member for Burnaby-Coquitlam will take the first opportunity of retracting the remarks he made last night.

What I am concerned about in this debate are the statements made today by the hon. member for Broadview (Mr. Hees) and the hon. member for Bow River (Mr. Johnston).

Mr. Johnston (Bow River): Good.

Mr. Goode: Both of them were intelligent speeches, if I may say so—the hon. member for Bow River and I usually agree—but both

of them suggested that the minister should consider deleting the $1,400 down payment and changing it to one of something like $500.

Mr. Johnston (Bow River): Does the hon. member not think that would be good?

Mr. Goode: No.

Mr. Johnston (Bow River): Would the hon. member raise it?

Mr. Goode: Yes, I would.

Mr. Johnston (Bow River): Good.

An hon. Member: Attaboy, Kingfish.

Mr. Goode: If the hon. member for Vancouver-Burrard (Mr. MacDougall) will allow me to proceed, I would feel much better without his help.

Mr. Johnston (Bow River): He is just encouraging the hon. member. The hon. member needs some supporters over there.

Mr. Goode: I have plenty. To my mind, Mr. Speaker, the purchasing of a home is a very serious matter. I do not think the down payment is the most important thing in connection with the purchase of a home in these days.

Mr. Argue: Except if you have not got it.

Mr. Goode: Could be. I remember as a young fellow—

Mr. Johnston (Bow River): That was a long time ago.

Mr. Goode: It was; but not quite so long ago as in the case of the hon. member.

Mr. Speaker: Order. If that private conversation over there is intended for me, may I say that I cannot hear it.

Mr. Argue: No interruptions from behind the curtain.

Mr. Goode: Mr. Speaker, I was proceeding with the idea—and I hope I shall be allowed to do so without too much further interruption—that a $1,400 down payment on a $10,000 home is not too much. What is the down payment on a home? What does it mean to the young people who are thinking about purchasing a new home today? In my case—and I expect the same is true in the case of every member in this house—my wife and I saved over many months and many years, perhaps depriving ourselves of some things that we needed, putting away a few dollars each month, hoping the time would arrive when we would have enough money to go into a home of our own.

Today conditions are a little different from those prevailing when the hon. member for Bow River and I were young. Most of the young married people, or at least a good percentage of them, are both working. We see that situation prevailing in the House of Commons with respect to the staff; and the situation is no different back home in British Columbia. Many of them are working. If my investigations are correct, over 90 per cent of the people purchasing homes in that locality today are under 33 years of age. They are young people.

It seems to me a good thing that the minister should hold the down payment to $1,400. If the hon. member for Bow River and the hon. member for Broadview will consider their figures again, and will take into consideration a $500 down payment and the equity that young people would have in a house at the end of a year with the monthly payments suggested in the bill, they will find that those payments including the down payment would not equal the depreciation on that home. I do not think young people should expect to purchase homes on terms of that kind. The buying of a home is something you and I do only once in our lives. It is something we live for, save for and deprive ourselves for—over a number of years. I would rather see a young couple deprive themselves of many things in order to save $1,400 than see the government make it easy for them to purchase a house with a down payment of $500. I believe the minister and the government are taking the proper attitude in maintaining that down payment at the figure they have suggested in this bill. I wanted to make these remarks—

Mr. Johnston (Bow River): The hon. member thinks that is the purpose of the down payment?

Mr. Goode: The hon. member made his speech today and he said about everything he wanted to say. Mr. Speaker, I do not appreciate too greatly the continued interruptions by the hon. member for Bow River.

Mr. Johnston (Bow River): I would not expect that the hon. member would.

Mr. Goode: I have said what I wanted to say. I hope the minister maintains the down payment at the present figure of $1,400. I shall support the bill, and I think the minister is to be congratulated on bringing in this legislation.

Mr. D. S. Harkness (Calgary North): Mr. Speaker, in the early stages of these debates, particularly, I have frequently heard members say they had looked over the new bill and received it more in sorrow than in anger. I am sorry I cannot make that statement today. As a matter of fact, as I look at the bill it provokes in me feelings both of sorrow and of anger. Surely the test of any housing bill must be this. Is it going to provide more housing for the people of the

country than is provided by the legislation which it replaces? On that test I do not think there is any question but that this bill will be an utter failure and that it will not supply materially more housing than has been supplied by the legislation we have on the statute books at the present time.

The scheme which the bill contains has had a good deal of publicity which has led a large number of people to think it will be easier for them to obtain housing. In other words it has given rise to a great many hopes. I am very much afraid that the hopes of most of these people are not going to be realized. I cannot see where this particular legislation is going to make it possible for many more people to secure housing than were able to secure it under the old act.

On the face of it, of course, the lowering of the down payment to 10 per cent, or the so-called lowering of it, and the increase in the amortization period to 25 years, would make it appear that a great many more people would be able to take advantage of the provisions of the National Housing Act than have been able to do so up to date. This was certainly the idea which I myself secured when the legislation was announced. Whilst I was home over the holidays a considerable number of people expressed this opinion to me, and also expressed the hope that under this new legislation they would at last be able to secure a home.

An examination of this legislation, however, as it is likely to work out in practice, has convinced me at least that a very small number of people who were not in position to take advantage of the old act will be benefited. In other words, I am sorry to say, I have to come to the conclusion that the bill is, in the words of a parliamentarian of the last century, "a delusion, a mockery and a snare."

Mr. Harris: Are you opposed to it?

Mr. Harkness: What the government is doing in this bill, Mr. Speaker, is playing what they no doubt think is smart politics. They tell the people they have given them a 10 per cent down payment house, which sounds very attractive. It is something about which a large number of people have been talking for a long time. However, the catch is that this house has to be built for $8,000, and it has to be built to the standards set by Central Mortgage and Housing Corporation. The government knows just as well as anyone in this chamber that a house of Central Mortgage and Housing Corporation standards cannot be built for $8,000, in most parts of this country at least. Thus, in effect, there is no such thing as a 10 per cent down payment.

As has been pointed out by several speakers already, on what most of us would consider to be the minimum priced house which could be built, that is $10,000, the down payment is going to be $1,400 or 14 per cent. A house costing probably closer to the average, we will say $12,000, will require a down payment of $2,000 or 16·6 per cent. In other words, there is no such thing as a 10 per cent down payment. It is a misnomer, a snare and a delusion. Whether or not it has been done by design, this bill has certainly roused false hopes in the minds of a large number of people.

I know the government defenders of this bill will say that the down payment has been considerably reduced, that on a $10,000 house it has been reduced from $2,000 to $1,400. Many more people, it is said, will then be able to buy a house because of this reduced down payment. Undoubtedly some people will benefit. A certain number of people who could not raise $2,000 will be able to raise $1,400. However, not nearly as many people will be benefited as one would imagine.

Over the Christmas recess I talked to a number of builders in Calgary, who told me that as many as 70 per cent of the people who had built houses during the past year with a $2,000 down payment had borrowed between $500 and $1,000 in order to meet that down payment. These people had gone to their relatives, friends or other sources and borrowed this money in order to get the down payment. It would seem, therefore, that a considerable number of people having less than $2,000, but having $1,400, have already been taken care of. The number who will be able to benefit by this reduction in the down payment is much less than one might otherwise expect.

The chief reason, however, that not so many people will be able to benefit from the bill is that the number who will be able to meet the monthly payment required is not greatly increased. The change in the monthly payment is more or less infinitesimal. As an example, on a $10,000 house there will be a mortgage of $8,600. If we assume that is going to be at 5·5 per cent interest, which has been rather a common assumption here although the minister said it would be between 5 and 6 per cent, the monthly payment required to amortize this over 25 years comes to $52.50. I believe this afternoon the minister said,

when some such figure was quoted, that it was $52.45. The five cents is not very material.

Under the existing scheme, on a $10,000 house where a $2,000 down payment has been made, with an $8,000 mortgage amortized over 20 years at 5·25 per cent, the monthly payment is $53.66. In other words there is a difference of only $1.16 per month or $13.92 per year. That is all the man buying a minimum priced house at $10,000 will save. This means that only a small number of people who were not able to buy a house before because their monthly salary was not sufficient will now be able to do so. As a matter of fact, I would think that with the other factors to be considered there would be no difference whatever.

During this debate it has been assumed, and the minister has never said anything to the contrary, that one of the rules which will continue in effect will be that 23 per cent of income is the maximum which may be paid for housing. So far as a $10,000 house is concerned, we must add to the payment of $52.50 for amortization the amounts for taxes and fire insurance. The hon. member for Broadview (Mr. Hees) put certain figures for taxes and fire insurance on the record this afternoon. In his calculations he arrived at a yearly income of $3,860, and the minister has not disputed that. I allowed a much smaller amount for taxes and fire insurance, $16 per month.

Mr. Winters: I think I should make it clear, as I attempted to do this afternoon, that the figure of $3,860 is the figure one arrives at assuming a lending value of $12,000. Of course if the lending value is more or less than that a corresponding figure will be determined by that same formula.

Mr. Harkness: I am assuming a $10,000 house with a mortgage of $8,600, and calculating that we still get this figure of $52.50 a month, you add another $16 for taxes and insurance. I am sure the minister will say that is the absolute minimum for taxes and insurance. There are very few places where you could get them for that. The total monthly payment required is then $68.50. This should work out as being 23 per cent of $297.80, or nearly $300.00 per month, a yearly income of $3,600. Now, that is the income required to purchase a minimum priced house. No one with an income below approximately $3,600 is going to derive any advantage from this bill. I believe that has been pointed out.

The unfortunate fact is that the majority of the citizens of this country have incomes lower than $3,600. This housing bill is not for them at all. This measure has not been designed for the lower income groups in this country. I do not know that we should even speak of them as the lower income group. It has not been designed for at least two-thirds of the citizens in this country. Surely a housing scheme which is designed for the people in the upper one-third of the income brackets of this country could hardly be fairly called a national housing scheme.

Another matter which has received a considerable amount of criticism and in respect of which the bill can be criticized is the interest rate. It has been indicated to us that an interest rate of 5½ or 6 per cent is what we are likely to have in connection with this housing scheme, and that this rate is to be allowed on what would amount to guaranteed loans. I realize the guarantee is not to the extent of 100 per cent, but it gets pretty close to that. For all practical purposes, these are guaranteed loans. It does not seem to me that a rate of 5½ or 6 per cent is justified on loans of this kind.

There has been a good deal of talk about whether it will be possible to get sufficient money from lending institutions, including the banks, to finance the building we would all like to see. I do not wish to discuss that phase of the matter at the moment, but it seems to me that with a guaranteed loan there should be a possibility of getting the money at interest rates lower than 5½ or 6 per cent. Certainly I do not know where money could be invested, with practically no risk, at anything like those rates of interest. Rates of that kind are being secured where there is a considerable amount of risk.

To sum up this phase of the matter I would say that this whole thing looks very much like one of those schemes where the government is promising a great deal, where it is doing a lot of talking about the benefits which will be secured by Canadians from this legislation, but where actually it is handing to the Canadian people a fully inflated paper bag containing practically nothing.

What the public should understand in connection with this bill—and, so far as I have been able to determine, what it does not understand—is that there are several things which make it much less attractive than it has thus far been represented. First of all, I have found that a great many people have not gone ahead to secure housing because they are waiting for this scheme to come into operation. They have been thinking that they would secure houses more easily and cheaply under this scheme than was possible before. One thing the general public should

understand is that houses under this scheme will not be available for some time. I have heard from builders that it will be at least five or six months.

Then, on the average, the down payment is not much less than it was under the old scheme. On what one might call an average house costing $11,000 the down payment is only about $250 less than it was under the old scheme, and that is not a very material difference. Certainly it will not enable many more people to take advantage of housing legislation.

The third point is that the end cost of houses under this scheme is going to be considerably higher, and this is inevitable due to the 5½ per cent interest rate and the longer period of amortization.

The fourth point the general public should understand before it gives or withholds approval is that the new plan is not designed for the lower income groups. It will do them no good whatsoever.

I suggest that nothing the minister and members supporting the government have said in connection with this housing bill comes to grips with the realities of the housing situation in Canada. As I have said, the great majority of our population cannot secure homes under this or any other plan, because their incomes are too low. What does the government envisage for the majority of the people in this country in the matter of housing? It is quite evident, I suggest, that the government has no plans for them. Those people are going to be left to their own devices, and without housing. So far as the government is concerned that is all there is to it.

A housing scheme in this country should produce houses that the majority of people in the lower income groups could secure. I suggest that is by no means impossible. We have heard a considerable amount of talk about subsidized housing from members in the C.C.F. I do not think it is necessary to go into subsidized housing in order to secure homes for the middle and lower income groups. There are two ways in which cheaper houses can be produced. The first is by improved efficiency in the building of the houses, and the lowering of costs. This involves a considerable number of factors, including prefabricated houses and utilizing other building techniques. It also involves more efficient work on the part of contractors and carpenters, plumbers, bricklayers and other tradesmen who are connected with the building of houses. I do not think many people will believe, for example, that it is not possible to lay more bricks per hour or to put on more square feet of plaster per hour than has been done or is being done, on the average, in the building of houses today.

More efficient building methods and the utilization of new techniques can reduce building costs quite considerably. I suggest, too, that houses can be built at a lower cost for the lower income groups by lowering the present standards set by the Central Mortgage and Housing Corporation. No one maintains that everybody has to have a suit of clothes worth $100 or an automobile worth $3,000. Similarly, I do not see why it should be considered that everybody should have, let us say, a $10,000 or a $12,000 house.

It is quite possible to build smaller houses than are required by present standards. They can be built without many of the costly features and at much less money. I know this is so because in Alberta we have several examples. A number of attractive small houses have been built at Devon, an area that I know is familiar to the Minister of Mines and Technical Surveys (Mr. Prudham). I think he will agree that they are attractive. They have been sold for as low as $5,500 to the present occupants. They are not slums or shacks. Many of them are attractive, and they are well built. A few more houses of somewhat similar design have been built just west of Calgary, at Cochrane, as part of the power development.

Mr. Prudham: Would the hon. member recommend these as family houses?

Mr. Harkness: Yes, I certainly would. A large number of those houses, at any rate, are quite satisfactory for small families, and would be available at a cost which people could afford. Thousands upon thousands would be able to get out of basement suites and one-room flats, thus getting away from the very bad living conditions they have to suffer.

During the last summer I did a considerable amount of canvassing, and I was horrified by the living conditions I found right in the city of Calgary. Numbers of people were hived up in little shacks. There are in that city even now a considerable number of what we used to call homesteader shacks. They came as a sort of package deal from the T. Eaton Company and various lumber companies. They have slanting roofs and are built like chicken coops. I had not seen any of them on the prairies; they disappeared from the farms years ago. But they are still there right in the city of Calgary, and fair-sized families are living in them. Certainly houses such as have been built at Devon and various other places in Alberta are so much superior and

so much better that I do not think anybody would dispute that people would be much better off living in houses of that sort.

As a matter of fact I think one of the chief reasons so many in the lower income groups cannot secure housing is the standards set by Central Mortgage and Housing Corporation and by municipal authorities. It seems to me that a great deal of the lack and need of housing could be met at the present time by setting aside an area just beyond where present building is taking place—I mean outside of a city—and applying to it much lower building restrictions than exist at the present time in the cities of Canada.

I see nothing in the world wrong, for example, with a house that has 750 or 800 square feet rather than the 1,150 or 1,200 required by Central Mortgage and Housing Corporation. I see nothing whatever wrong with building houses with softwood floors, fir floors rather than hardwood floors, and there are various other things along the same lines. If that is done, and it can be done quite readily, houses can be built, as they actually have been built in Alberta, for prices ranging from $5,500 up to $7,500, houses which would be quite satisfactory to a large number of people and which they would be delighted to get.

Another matter that has arisen during the debate and about which quite a bit has been said is the shortage of serviced land.

Mr. Winters: I did not want to interrupt the hon. member while he was in the middle of a particular theme, but I should like to say to him now that the houses at Devon which he commended so highly were all financed under the National Housing Act.

Mr. Harkness: I am very glad to hear it. I did not know how they were financed, but I spoke to one of the contractors who built some of them and he told me they had sold at prices ranging from $5,500 to $7,500. I have never since been able to see any reason why the same thing could not be done on the outskirts of Edmonton, Calgary, Toronto, or any city that you wish to mention.

I had started to say something about serviced land. I think one of the chief reasons there is so little serviced land is that everybody is trying to build in a few places in or immediately adjacent to large cities. This matter is tied up with the decentralization of industry. There have been many speeches in the house urging the government to take what steps it could to bring about the decentralization of industry, but unfortunately very little has been done. As a result more and more people are rushing to Toronto, Montreal and such areas, bringing about a terrific shortage of serviced land.

There are plenty of communities throughout Canada where serviced land would not be difficult to obtain. There are plenty of communities where the people already there would be delighted to see more building, in the smaller cities and towns. I think that part of the problem could be met very readily by encouraging loans in such areas, but those are the very areas where it is difficult for people to get loans. In the smaller places it is much more difficult in most cases to get C.M.H.C. financing than in places like Toronto, Montreal, Calgary, Edmonton or Vancouver.

Perhaps I have given the impression that I think very little of the bill, and that is the case. The only reason I will vote for it is that it will help a very limited number of people, and in view of the fact that it will help a limited number of people I cannot see my way clear to vote against it. But certainly the number of people it will help is so limited that I think the government should allow the bill to be amended when it is before the banking and commerce committee in such a way that it will become of some real value.

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, yesterday I listened with interest to the hon. member for Burnaby-Coquitlam (Mr. Regier) refer to the tarpaper shacks in his riding. Tonight we heard the member for the adjacent riding of Burnaby-Richmond (Mr. Goode) more or less denying it but apologizing for the condition. Neither of these members needs to worry at all, because you will find tarpaper shacks in every riding in this dominion. As a matter of fact I venture to say that more tarpaper shacks were built last year than all the units under Central Mortgage and Housing Corporation. They continue to be built for the simple reason that while these people are not anxious to live in these shacks, they cannot meet the requirements of this bill or any government legislation that has ever existed so far as the securing of a home is concerned.

These are the people who need homes; therefore I am going to say a few words on their behalf. I do not intend to deal with the particular bill before us, a bill that I call one for the upper ten. It does not have anything to do with the group to whom I am going to refer. *Hansard* will disclose that several excellent speeches have been made contributing, to my mind, very valuable information which if made use of would help solve the housing problem. That applies to members of every party who have spoken.

The housing problem is a growing one, and during the last few years we have not even held our own with the housing demand. I am not blaming the government entirely. I am blaming what is commonly called free or private enterprise even more, for it has failed us. For instance, insurance companies entered the housing field when they had no other outlet for their funds. They took things over lock, stock and barrel for the purpose of investment, not as a scheme to supply homes for the people of Canada. When other more lucrative fields opened up they withdrew from the scene, and the banks will do the same thing in a few years' time.

The free or private enterprise group of builders in this country have practically left the speculative field of building entirely alone, and they are not interested in coming back to it. Neither the government nor private enterprise have given a thought to the millions of Canadians whose earnings are below the $3,600 or $3,700 mark. We in this group are particularly worried about these people, and we are not alone. There are many Liberal, Conservative and Social Credit members who are just as alarmed that nothing is being done for these people.

It may well be that after the next election several of the present members will not return to the house. They may fail at the polls or they may not be chosen. What is going to be their lot? Many of them will be entitled to the maximum pension of $3,000 a year, and after living in Ottawa for so long they will need homes. Under this scheme they will come to the government for a home under this act but every one of them will be turned down. I feel that the lending provisions should be broadened to take account of character, because I fail to see why any former member with a steady income of $3,000 who applies for a loan should be turned down. I think his character should be sufficient recompense for the lack of the $700 needed to make up the necessary income.

I have taken certain figures from the 1951 census. I find that we have 5½ million wage earners in Canada, 4 million of whom earn less than $3,000 a year, and one out of three less than $2,000 a year. Furthermore I find that in the large cities 32 per cent of all workers, married and single, earn less than $1,500 a year. Ottawa, for instance, has 24 per cent of its wage-earning heads of families receiving less than $2,000 a year. This bill does not mean a thing to them. Its language is not understood by them, and the intention of the bill is not to cover them.

[Mr. Jones.]

Yet I feel that if any particular group needs assistance it is the group with incomes of less than $3,500 a year. It is this group that needs homes. Other people can find other means to raise money to build their own homes, through the loan companies or banks, and they would do so if this scheme were not in effect. These people are the victims of economic conditions, quite often beyond their control. I will admit that sometimes it is their own fault, but generally speaking they are the victims of our present system. But they too are human; they too have feelings; they too have families; they too have children they would like to have properly housed. They would like decent homes in which to live just the same as the person getting $5,000 or $10,000 a year. That aspect has not been considered at all.

Bearing that in mind, I would suggest to the minister that after this bill is put through, as I presume it will be, he set up a commission to investigate ways and means of providing homes for this type of person who is industrious, who has a sound moral character, who is a good Canadian citizen, who was probably born in this country and who has prospects of raising a fine family. All he wants is some assistance in order to build a home.

The hon. member for Cariboo (Mr. Leboe) made some reference to rural areas when he spoke. I feel the same as he does. Something should be done for the people in the rural areas who also need decent homes. All you need do is go by train or drive a car across this country, and in every province you will find evidence that what I say is absolutely true. A vast number of poorly-built houses, unpainted, sometimes covered with tarpaper, are to be found. To me they constitute a visible disgrace to a wealthy country like Canada.

Having concentrated on the urban areas, Central Mortgage and Housing Corporation have neglected entirely this worth-while field. If the people in our rural areas were properly housed it would help to attract tourists to different points throughout the country where they could look at decent homes and see our citizens living under decent conditions. But today you see houses with holes in the roof, barns that are propped up in order to keep them from falling completely over. That kind of thing is not a credit to this wealthy country.

This bill will not change that at all. I am going to suggest that in addition to making a survey in connection with the low income group the minister also make a survey of the

rural areas. As someone said, it is a good idea to have the people scattered instead of congested in possible slum areas. Under the old scheme the insurance companies and Central Mortgage and Housing Corporation were not interested very much in the rural areas because the lack of fire protection and other facilities made their investment less safe than investment in organized centres.

But I would point out that even though there may be a lack of such facilities in the rural areas, they would find a higher moral responsibility among the people. Those people would be more likely to look after the loan they had acquired in order to build a home. They would meet their obligations on a higher moral basis than the people in organized centres. I realize I am sticking out my neck, but it is my impression that people in the country have a high standard of morality. This would compensate for the lack of fire-fighting equipment and other things. If we are going to assist these people it is essential that money be made available at not more than 2 per cent. Other speakers have dealt with this so I shall not go into any further detail.

I am almost sure it was the last Liberal government of British Columbia that paid particular attention to housing in rural areas. They reduced taxation on farm homes to a nominal amount in order to encourage the painting and improvement and enlargement of homes, as well as installing facilities such as baths and toilets inside the houses. Over the last few years those concessions have resulted in a definite improvement in the homes being built and those already built. That is quite evident as you cross the province of British Columbia today.

I suggest to the minister that he instruct the banks to be particularly helpful to the borrowers in rural areas, to reverse the treatment that these people have received during the last year or two from Central Mortgage and Housing Corporation.

Mr. Auguste Vincent (Longueuil): Mr. Speaker, after looking at this bill I have the impression that I have looked at Aladdin's lamp, because it seems to me it contains magic. Some people look at the bill and say, "The banks will be taking over the mortgage business." Other people look at the bill and say, "The government is going out of the mortgage business." This afternoon I heard hon. members describe the bankers as profiteers, while others described the bankers as the men who would be dragged up and forced to tell the poor man who could not pay his mortgage money that foreclosure was his lot. Whom are we to believe?

I believe sincerely that we have a middle of the road bill. If the Canadian public were in the galleries tonight I think they would know why they had elected the Liberal party to power. The Minister of Public Works (Mr. Winters) and the government have paved the way for constructive suggestions. I do not think everything that has been said by the opposition is wrong, but on the other hand I do not think everything contained in the bill is wrong. After all, we are lawmakers and we should use common sense. To me this bill is common sense.

I understand that this bill is going to give the banks greater powers, as has been stated by some hon. members. As I have said, other hon. members have stated that these powers would be centralized in the government's hands. The reality is that the government is going to guarantee the loans and in effect will use the offices of the banks and their available liquid assets in order to make those loans. Many hon. members are businessmen and they know what it costs in the way of upkeep, etc., to run an office. I am sure that before this bill was drafted the government conferred with the banks and came to some agreement under which they would use their facilities so there would be more offices and more available assets from which to serve the Canadian people in a more efficient way.

As I said a while ago, the Minister of Public Works in bringing this legislation forward has paved the way for suggestions. As the bill is going to go to the banking and commerce committee I consider it my privilege to make a few suggestions to the government. I am sure they will be welcomed, because this is not a hush-hush bill, nor is it a camouflaged bill. The minister placed the bill before the house on December 16, just before the recess, in order that hon. members would be aware that it would be discussed after the recess. In doing so I think the government deserves to be congratulated, for it provided hon. members with an opportunity to examine the legislation presently under discussion.

Under the old act, wherever lending institutions were granting loans Central Mortgage and Housing Corporation would not compete with private enterprise. This procedure had a somewhat harmful effect in certain regions. I cannot speak for all of Canada but I can speak for my own constituency of Longueuil. About 20 per cent of the population of the

constituency of Longueuil benefited under the old act, and I believe that under the present bill more people will be able to benefit by Central Mortgage and Housing loans. Under the old act the lending institutions were providing 75 per cent of the amount of a loan while the government was supplying the remaining 25 per cent. "The man who pays the piper calls the tune"; therefore the lending institutions chose the regions in which they would operate and that is one of the reasons why approximately 80 per cent of my constituents did not benefit by C.M.H.C. joint loans under the old act. This new bill alters that situation and the Canadian people now are guaranteeing the loans.

It is true we are using the banks in making these loans, but the banks in each region are well aware of people's needs. They are in daily contact with the population, with business people and ordinary individuals. They know the people and they know their credit needs. It should also be borne in mind that the government is now guaranteeing these loans and therefore should be permitted to "call the tune".

I believe this is a well balanced bill. On the one hand we have the government guaranteeing the loans and on the other hand we have the services of the banks. The banks are not merely profiteers in this regard. After all they are giving service. They supply their offices, staff, and their liquid assets—we must remember that.

I believe that this bill, once it incorporates certain suggestions made by some hon. members, will be a good bill and the Canadian people will benefit by it. I do not think it is the desire of the Canadian people that they be given homes. If that were the case they would have elected a socialist government. The Liberal party and this government are striving to look after the welfare of the Canadian people and this bill in my estimation will, when enacted, become a welfare act.

Some hon. members have discussed the possibility of building better and more attractive homes. I agree with that. I believe we must strive to improve the architectural design of the Canadian home. A man is judged by the way he talks and a country is judged largely by its habitat. In other words, people coming into Canada will judge Canadians by the outward appearance of their homes. I would suggest that the government give further consideration to this matter and encourage architects in Canada to design better and more attractive modern homes.

[Mr. Vincent]

I want to draw the attention of the government to one other point. On December 16, 1953, the Minister of Public Works stated, as reported at page 998 of *Hansard*:

> In addition, it is proposed to reduce the down payment from the 20 per cent now required under the National Housing Act. The amount of the loans will be 90 per cent of the first $8,000 and 70 per cent of the balance of the lending value," . . .

There is one suggestion I would like to make on this point. Would it not be possible to have the loan made in direct proportion instead of having it made in inverse proportion, because I think families who have three, four or five children would like to benefit from the long-term loan provisions of this bill. Canadians should be given the same advantage whether they require a $12,000 or $8,000 home. If the government would consider that I think it would be much appreciated by the Canadian people.

There is one other aspect I would like to touch on, and it concerns the federal-provincial scheme. I sincerely regret that the province of Quebec has not seen fit to accept the benefits of the National Housing Act. I would say it is one of the reasons we have such chaotic housing conditions in the vicinity of Montreal. In the city of Jacques Cartier we have about 30,000 people living without sewers and without the benefit of a water system. Under this act the provincial government could have assisted those people.

I would ask the government and the Minister of Public Works whether it would not be possible to approach the authorities in the province of Quebec and discuss this matter with them. By bringing this matter to their attention in a fair and frank manner the government might be able to persuade the authorities in the province of Quebec to accept the benefits of this section of the act. An agreement along these lines would relieve one of the greatest housing problems which exist in the region of Montreal. Conditions there have to be seen to be believed. I am not blaming any officials or any governments, but I would seriously urge the government to consider bringing this matter to the attention of the Quebec authorities and attempting to arrive at some arrangement whereby this area may be relieved of its housing problem.

In closing I wish to thank hon. members for having listened to me in this speech. I sincerely hope that all those concerned with the good of Canada will do their utmost—especially those who are members of the banking and commerce committee—to look into this bill and I hope that if any changes have to be made, they will be made constructively, for the benefit of all Canadians.

Mr. A. J. Brooks (Royal): Mr. Speaker, first of all I should like to congratulate the hon. member for Longueuil (Mr. Vincent), who has just taken his seat, on the excellent speech he made. It is the first time I have heard him speak in the house, and I think perhaps it is his first speech, he being a new member. If it is, he certainly deserves great credit.

The subject we are discussing tonight is, of course, one in which we are all greatly interested, although perhaps the interest is not the same in all parts of Canada. As a matter of fact I greatly doubt whether the housing act affects us in the maritimes as much as it affects the people in Ontario or in Quebec in and around Montreal. It certainly does not affect us particularly in my own constituency, which is a rural one in which about 80 per cent of the people are interested in farming.

In our part of the country we have some vacant houses which we should be glad to have filled up by people coming in. As a matter of fact, last August when I was going through my constituency I visited a part of it in which there were a great many vacant houses, in fact over a thousand of them. It was rather sad to see so many vacant houses. At that time I thought that if only those houses were in some other part of Canada in which there is a scarcity of housing, what a great benefit it would be to some people. I am, of course, referring to the Gagetown camp training area which was taken over by the government a year ago.

It has been interesting to hear the prices mentioned for the construction of houses in this country. The thought came to me that on some of these farms there is a large house, a large barn and other buildings, but I doubt very much whether the farmer, for all his possessions—including house, land and so on—received $10,000. It seems that $10,000 is a great deal of money to pay for the building of a small house. I realize, of course, that this is a result of economic conditions, the scarcity of supplies with which to build houses, perhaps the great cost of the labour put into the house, and the high cost of serviced land on which it was built.

I am like everyone else in the house here. We are all interested in seeing that the people are properly housed. I am satisfied, Mr. Speaker, that it does not make any difference whether we are Liberal, Conservative, Social Credit or C.C.F.; we all have the same interest, namely that we want to see the people of this country properly housed. I know it makes no difference whether we live in the maritimes or in the west or what the economic situation is; we all have the same idea.

This Bill No. 102, which was explained by the minister the other day, as he told us is being substituted for the existing National Housing Act. Under that act many houses were built. I think the minister told us that some 80,000 houses were built last year. That is a large number of houses. We have heard the shortage of houses in Canada estimated by some at 200,000 and by others at 500,000. I do not think anyone really knows what the shortage of houses in Canada is today.

What this bill will do to overcome this great shortage we can only conjecture at the present time. I have my own ideas on the matter; other hon. members have theirs. It is difficult for us to say at this time just what the result will be. We will not know that result until the legislation has been in force and the activities under it have been tried out. Then only shall we be able to say what the result will be.

We expected great things of the National Housing Act. I remember when the debate took place in this house a few years ago. At that time we thought the National Housing Act was going to solve the housing problem here in the Dominion of Canada. Unfortunately it has not done so, and for that fact many reasons have been given. I have already mentioned some. We now understand that the great difficulty is the lack of money.

As I say, the object of this new bill is to build houses. This government bill proposes three things in order to carry out that purpose. The first is to reduce the down payment on a house to 10 per cent of the value and to extend the time for repayment to 25 or 30 years. We have had a great deal of comment upon this proposal. The second proposal is to put the chartered banks into the mortgage business and to have Central Mortgage and Housing Corporation insure the mortgages in order to protect the banks from loss. The premiums on this insurance are to be paid by the borrowers. The third proposal is to authorize the Bank of Canada to provide the chartered banks with cash on the security of the insured mortgages they hold.

As I said, under the National Housing Act there seemed to be no trouble raising money through the insurance companies. We were told by the minister a few days ago, I think, that the insurance companies sold government bonds to the extent of $800 million and also to the extent of $200 million more, making $1 billion that they invested in housing in

this country. Of course it is the people's money which had been paid in to the insurance companies by way of premiums, but it was paid in over a long period of years. Insurance is something that you take out for 20 years or for life. It was not money that was payable on demand, and naturally the insurance companies could invest this money without feeling that those who had paid their premiums would be affected in any way.

Under this bill the money is to be obtained from the banks. Money is placed in banks, of course, under short-term arrangements, and it represents the savings of the Canadian people. The minister has told us that we shall have to change the Bank Act so it will provide for long-term investment instead of short-term lending. This is something which may not be regarded too lightly by the Canadian people. During the last few days we have heard many arguments to the effect that this proposal is not good as far as the investments of the people are concerned. The bank's first duty, of course, is to protect the savings of the depositors. The money is there to be called for at any time.

This afternoon the hon. member for Macleod (Mr. Hansell) gave us an interesting lecture on the banking system. He said he was sure that certain members were not stupid, but certain statements they made to the effect that the money in the banks or lent by the banks was the depositors' money were altogether wrong. Well, I listened to the hon. member's lecture this afternoon, and I expect he will think I am stupid because I am afraid I did not derive very much benefit from it.

I am not an authority on the banking system of this country, but I do know that if a bank had no deposits—well of course that would be too ridiculous to consider, because you would not have a bank at all. It is certainly true that the smaller the bank and the fewer the deposits, the less lending that bank can do. The more deposits a bank has, of course, the more lending the bank can do and the better position it is in. As I say the deposits must, in some way, have something to do with the lending which a bank is in a position to do.

So far as the protection of the banks is concerned, the bill provides that mortgages will be given. The mortgages will protect the bank to a certain extent, and in that way the depositors will be protected also. It is true that the bill realizes that money must be deposited before it is made available, and provision has been made that will enable the banks to take the insured mortgages they hold to the Bank of Canada and get cash for them. This will not be the same kind of cash the depositors had earned and put into the banks for safekeeping. It will be cash fresh from the printing press. It will have cost the bank nothing, and will have no value except what it can absorb from the money which the people have earned and with which it will circulate.

The net upshot of the whole proceeding may be that the earned money which the people entrusted to the banks for safekeeping will have been removed and inflationary money which cost the bank nothing put in its place. This inflationary money will absorb value from the true money with which it will circulate, and everybody will find that his money has lost some of its value, though few will know how it happened.

The matter of mortgages has also been mentioned by a number of speakers. As was pointed out, the onus of foreclosing the mortgage will be placed upon the banks. Neither the government nor the government agencies will be in the position of having to carry this unpopular burden. The banks will have to bear it. I do not know what the number of foreclosures is likely to be. That is something which will be revealed in the future. I know that even people who have borrowed anything from one-half to two-thirds of the money to build a house have had to default, for different reasons, and the mortgage has been foreclosed. I am satisfied that with the granting of hundreds of thousands of mortgages there will be many which will have to be foreclosed.

I should like to point out, Mr. Speaker, that there are many reasons for the shortage of houses in Canada. The minister mentioned some the other day. People come to this country from other countries, and naturally in a cold country like Canada they need a place in which to live. Then there is the natural increase of population in this country. In addition there are other reasons. First, we have noticed that there is a movement of population from the rural areas to the towns and villages in every section of Canada. For instance, the older people used to live on the farms with their sons and daughters. Now they move into the villages and towns and take up small houses. Due to the great increase in mechanization of the farms, one or two men can run a farm which used to need three or four.

Another reason for the increased need for houses is the movement from one province to another. I can speak with knowledge of

that because I know that from the three maritime provinces—perhaps I might say four without offending my good friends from Newfoundland—

Mr. Stick: The Atlantic provinces.

Mr. Brooks: We are all Atlantic provinces but there are three maritime provinces. There has been a continued exodus of people to the central part of Canada, to the large industrial centres such as Montreal, Toronto, Hamilton and other places. This has caused great congestion in these parts of Canada. It has also left vacant houses in the sections of the country from which those people came. I know young people have left my constituency to go to Toronto, and have left fairly good houses which have had to be sold at low prices. These houses would accommodate families with three, four or five children. The people have gone to Toronto or Montreal. When they return for a visit they tell you they live in one room or two rooms. It is impossible to find accommodation in the big cities.

I recall that last fall I was going through Montreal, and I met a young man whom I knew in the park in front of the Windsor hotel. He had his wife and three children with him. I asked him how he was getting along and he said that he was getting good wages but had no place to live. They were living in two rooms in a basement, and he said the only comfort they had was when they could take the children out to sit in the park.

This situation has developed in Canada as a result of our economic situation. I was pleased indeed to hear the hon. member for Calgary North (Mr. Harkness) suggest a solution. I think it is a solution which is linked up with the housing problem in Canada, and that is the decentralization of industry. We can accommodate two or three times the population we have in the maritimes, and we would have two or three times our population if we could retain our young people there and give them employment. I have often pressed for this in the House of Commons, and I believe we will always have an acute housing situation in Canada until there is some decentralization of industry in this country.

As the hon. member said, around Toronto and Montreal one of the great reasons housing costs so much is that you cannot get serviced land, with sewers and water and other things required for good housing. In the smaller towns and cities of the maritime provinces I am satisfied that you could get serviced land, and better land, for a third or a quarter of the cost up here in the larger centres.

I am not going to deal with this question at greater length. Of course if hon. members wanted to criticize they would say, "But you have not the facilities in the maritime provinces, especially in New Brunswick, to entice industry." This is very true. We want cheap electrical power in New Brunswick. That province has great possibilities so far as industrial development is concerned, but today we are being held back because we have not cheap electrical power, and our financial position does not merit our going into it too extensively, although the province is anxious to do so.

This is one way in which the federal government could assist the different provinces needing help. It could assist in the decentralization of industry and, in that way, relieve the housing problem. The problem is not a temporary one; it has existed since the last war, and even before that. And I am satisfied that as long as the present economic condition exists we will have these housing conditions.

I would hope that the regulations in connection with the building of houses would not be too strict. As member after member has pointed out, a man who has to earn his living by daily toil will not be in a position to buy or to build $8,000 or $10,000 houses. It is almost impossible for the working man today to build a house costing that much.

I recall that under the Veterans Land Act provision was made whereby veterans could build their own houses. Those houses were built under the supervision of the Department of Veterans Affairs. Over 10,000 of them were built by veterans in Canada, with the assistance of their friends and neighbours, bringing about a saving of about $2,000 on each house. There are thousands of men across Canada who would like to build their own homes and who, if given the opportunity, would do so. I hope the regulations will not be too strict and that every encouragement will be given prospective home owners for the construction of their own homes.

I do not think I have anything further to add. This bill will not help in any way the matter of slum clearance in our larger cities. I know of cities in which houses have been standing for a good many years. Due to the ravages of time and the fact that rentals paid have not permitted improvements, many of those houses today are in such a condition that they should be condemned. One can find this in practically every city in Canada.

Mr. Winters: This bill would help in that respect.

Mr. Brooks: The minister says the bill would help. I am thinking of a city I know better than any other, and I shall not mention it by name. The wooden houses in that city were built many years ago, and there are three or four tenants in each house. One will find whole streets of houses of that kind. Many years ago there was a fire in that city and it had to be rebuilt in a hurry. As the years have gone by the houses have become dilapidated. I doubt very much whether this bill would be of any benefit. The cost would be too great, and many other difficulties would face the builders.

I am not opposed to the bill; I do not intend to vote against it. I am one who wishes it every success, because a housing bill which will provide homes for our people is badly needed in this country. I hope this bill is the answer, but I cannot help feeling that it has many weaknesses.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, ten minutes to ten o'clock on a Friday evening is not the most desirable time to make a speech in the House of Commons. I do not know, sir, whether you would wish me to call it ten o'clock.

Mr. Winters: Get a start, anyway.

Mr. Churchill: I want to be kind to the minister. I would not like to see the debate on such an important subject collapse at this moment, so that he would be called upon to wind up the debate when he is in an exhausted state, after having listened so patiently to the words of wisdom from this side of the house.

There can be no question about the importance of the bill before us. On its title page we find this: "An act to promote the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions"—a very worthy objective indeed. Then the bill is divided into a series of parts. Part I is headed, "Insurance mortgage loans"; part II bears the heading, "Housing for rental purposes and land assembly", and part III, "Housing redevelopment", and so on.

In the last two days the attention of the house has been directed to part I, the new section. Most of the points in respect of that part have been covered most effectively by those who have preceded me in the debate. Consequently it is not my intention to indulge in any repetition with regard to these matters. I noticed that in his opening remarks yesterday the minister, with becoming modesty, said he and all of us, for that matter, are not complacent with regard to the housing situation in Canada. And he said that with good reason. There is no ground to be complacent about housing conditions in Canada.

The government has been in the housing business now for almost 20 years. As was pointed out yesterday, the Dominion Housing Act was passed in 1935 and then was superseded in 1944 by the National Housing Act, the latter act of course being the legislation we have before us now with modifications. What has happened during the 20 years? I think no scientific basis has been established for us to estimate the housing requirements of the nation. At page 1313 of *Hansard* for yesterday the minister said:

> The number of new housing units built in any one year must be related not only to our need for housing, but also to the effective demand by the Canadian people for housing.

I ran across the phrase "effective demand" eight years ago when I first began to investigate housing conditions in the city of Winnipeg. It is a very tricky phrase indeed. I do not know what its interpretation is, but I discovered when I was dealing with this matter that a distinction is made between need and effective demand. A married man surrounded by half a dozen children and living in two rooms may demonstrate to an investigator that he has a need for better housing conditions, but when you come to estimate his effective demand and find that he has not the money to put up for better rental premises or for the down payment on a new house, then you determine that he does not present any effective demand, and consequently does not affect the housing situation from that point of view. The minister may have a different interpretation of those words, but that was the way it was pointed out to me when I started to investigate housing.

It also seems to me, as was mentioned this afternoon, that sufficient emphasis has not been laid upon research to devise better and cheaper methods to erect houses in this country. Surely there is a great field there. In the 20 years that have elapsed, what has been done along that line? Mention has also been made of the advantage that would accrue if antiquated building restrictions were removed or modified to keep up with developments that have occurred in methods of constructing houses. That is tied in with the question of research. What is being done about that?

Scientifically, what is the backlog of housing in Canada? I think the minister used a figure of 100,000. Others say 500,000. Who knows? How do we determine it?

Why do we not know? Is there not some means of discovering not only the need but the effective demand for housing in Canada on a scientific basis?

Finally, when the minister was rewriting the act and bringing in the bill could he not have done something with parts II and III to correct their deficiencies? Have they met the need in Canada for low rental housing? Are these parts meeting the need for housing redevelopment, the so-called slum clearance?

If I have satisfied the minister with my introduction, Mr. Speaker, I should like to move the adjournment of the debate.

On motion of Mr. Churchill the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, on Monday we shall continue, and I hope conclude, this debate, followed by the second reading of the post office amendment act, followed then—

Mr. Knowles: Oh, no, that is enough.

An hon. Member: Stop right there.

Mr. Knowles: That is all we need for Monday.

Mr. Harris: —by those bills standing in the name of the Minister of Mines and Technical Surveys and in the name of the Minister of Veterans Affairs. On Tuesday we shall begin with the resolution standing in the name of the Prime Minister with respect to salaries and indemnities, followed by anything that has been named for Monday that has not been disposed of. Wednesday is private members' day. On Thursday we shall continue with any of the legislation I have already mentioned that has not been completed by that time. On Friday I understand it will be the unanimous desire of the house that we should debate external affairs. If that is the case, and if we are able to arrange a suitable formula by unanimous consent, the debate will take place throughout the afternoon of Friday and, I suppose, the evening. At any rate, we shall not name any particular business other than that debate for that day.

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

HOUSE OF COMMONS

Monday, January 25, 1954

The house met at 2.30 p.m.

COMBINES INVESTIGATION ACT

ALLEGED PRICE MAINTENANCE, CHICOUTIMI—HOUSEHOLD SUPPLIES

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I now table three copies in English and three copies in French of a report concerning alleged attempted resale price maintenance in the sale of certain household supplies in Chicoutimi, lake St. John district, Quebec.

ELECTRICAL WIRE AND CABLE

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I should like to make a statement in connection with a report under the Combines Investigation Act relating to the electrical wire and cable industry. In releasing this report in November last I stated that as soon as I had carefully examined the report and received the opinion of counsel I would make a further announcement as to the prosecution.

The matter was referred to Mr. J. D. Arnup, Q.C., of Toronto, who has advised that in his opinion the evidence justifies prosecution of some or all of the manufacturers mentioned in the report. The exact parties will be determined as the evidence is further examined in detail in course of preparation for trial. Mr. Arnup has been instructed to proceed with prosecution.

[*Later:*]

RUBBER GOODS—INQUIRY AS TO INVESTIGATION

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to ask the Minister of Justice if he is in a position to tell us anything in connection with the rubber goods investigation recently concluded, information of the same nature as he gave us recently with respect to the alleged combine in electrical goods.

Hon. Stuart S. Garson (Minister of Justice): In reply to my hon. friend's question, I may say that the prosecutions arising out of that report have been concluded except that the order prohibiting continuation or repetition of the offence, which was granted by the court in the mechanical rubber goods case, is under appeal to the court of appeal of Ontario. Naturally the question as to whether such an order will be granted in the other two cases, tires and tubes and accessories on the one hand and footwear on the other, was reserved by the trial judge until the judgment of the court of appeal on the application for the prohibiting order in the mechanical rubber goods case is delivered.

PRIVILEGE

MR. NESBITT—REFERENCE IN DEBATE TO ONE RAYMOND CARD

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, in my remarks last Thursday in connection with the National Housing Act I made reference during the course of my remarks to a civil servant named Raymond Card. My remarks were as follows:

> I am informed that Mr. Card came to Canada from England in 1907 and originally set up as an architect. After a brief career in this field he entered the firm of the T. Eaton Company, for which, I am told, he worked as floor manager for some 17 years.

Since that time I have received information from the minister which leads me to the conclusion that, without question, those remarks are not correct. And since I have no desire to be unfair to Mr. Card, or to misrepresent anyone in respect of his qualifications, I should like to have those remarks removed where I state that Mr. Card was an employee of the T. Eaton Company for 17 years. I am quite satisfied he was not, and that he has been an architect ever since he came here.

I might say that I believe the cause for this misinformation was that Mr. Card, who is chief architect for Central Mortgage and Housing Corporation, has a brother who was also an architect and who has had business with the T. Eaton Company.

MR. FLEMING—REFERENCE TO STATEMENT IN DEBATE BY MR. BROWN (BRANTFORD)

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I rise on a question of privilege. I was not in the house on Thursday evening at the particular time the hon. member for Brantford (Mr. Brown) was speaking in the housing debate. It was only upon reading the newspapers next day that I found he had attributed to me in his speech on Thursday

evening a statement that the banks would not co-operate. I find, in referring to his speech at page 1344, that the hon. member for Brantford said, in referring to the speech I had made earlier the same day:

> The hon. member for Eglinton thought that the banks would not co-operate.

Mr. Speaker, you know that is the very opposite to what I did say. At page 1329 you will find what I said in my speech that afternoon. These are my words:

> I know we can assume that the banks will co-operate.

I hope the hon. member will be more accurate in his statements in future.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 169, respecting Victorian Order of Nurses for Canada.—Mr. McIlraith.

Bill No. 170, respecting the Associated Canadian Travellers.—Mr. Hanna.

QUESTIONS

PATENT ROYALTIES RECEIVED

Mr. Murphy (Lambton West):

What amount in dollars did Canada receive for patent royalties where patents by Canadian residents and/or corporations were issued in foreign countries, during each of the years 1950 to 1953 inclusive?

Mr. Speaker: Dropped.

PAYMENTS FOR FOREIGN RESEARCH

Mr. Murphy (Lambton West):

What estimated amount of money did Canadian citizens or Canadian corporations pay to foreign citizens or corporations or governments or government agencies for the purposes of research, during each of the years 1950 to 1953 inclusive?

Mr. Speaker: Dropped.

HOSPITAL CONSTRUCTION GRANT—NOVA SCOTIA

Mr. Balcom:

1. What was the total amount available to the province of Nova Scotia, under the hospital construction grant for the years 1948, 1949, 1950, 1951, 1952, and to date in the present fiscal year?

2. How many hospitals in the province of Nova Scotia are receiving or have received federal financial aid under the hospital construction grant?

3. What are the names, locations and amounts approved for these hospitals?

Mr. Robertson:

1. 1948-49, $642,857; 1949-50, $641,963; 1950-51, $636,359; 1951-52, $635,281; 1952-53, $614,098; 1953-54, $301,923.

2. 29.

3.

Name of hospital	Location	Amount approved
Bayview Memorial Red Cross hospital	Advocate	$ 3,608.81
St. Martha's hospital	Antigonish	122,000.00
Victoria County Memorial hospital	Baddeck	17,872.22
Western King's Memorial hospital	Berwick	28,333.33
Nova Scotia institute	Brookside	74,761.11
Eastern Memorial hospital	Canso	5,471.83
Halifax Municipal hospital	Cole Harbour	300,000.00
Nova Scotia hospital	Dartmouth	342,000.00
Glace Bay General hospital	Glace Bay	10,000.00
Guysboro Memorial hospital	Guysboro	15,000.00
Children's hospital	Halifax	177,530.00
Victoria General hospital	Halifax	138,549.01
Blanchard Fraser Memorial hospital	Kentville	21,000.00
Queens General hospital	Liverpool	41,666.66
Lunenburg hospital	Lunenburg	38,666.66
Musquodoboit Valley Memorial hospital	Middle Musquodoboit	5,349.12
Twin Oaks Memorial hospital	Musquodoboit Harbour	11,000.00
Buchanan Memorial hospital	Neil's Harbour	17,000.00
New Glasgow hospital	New Glasgow	251,000.00
St. Elizabeth's hospital	North Sydney	188,333.33
Eastern Shore Memorial hospital	Sheet Harbour	17,161.16
St. Mary's hospital	Sherbrooke	10,113.09
St. Rita's hospital	Sydney	199,000.00
Point Edward hospital	Sydney	22,004.67
Sydney City hospital	Sydney	153,666.66
Harbour View hospital	Sydney Mines	49,666.66
Cape Breton County hospital	Sydney River	510,000.00
Colchester County hospital	Truro	60,000.00
Payzant Memorial hospital	Windsor	45,666.66

PATENTS OUTSIDE CANADA—PAYMENTS

Mr. Murphy (Lambton West):

What was the total estimated amount of money paid by Canadian citizens, Canadian corporations and government agencies for use of patents issued outside of Canada, for each of the years 1950 to 1953 inclusive?

Mr. Pickersgill: I wonder if I may take this question and the five following and deal with them now. These questions have been discussed with the hon. member for Lambton West and I understand from the discussion that the hon. gentleman is agreeable to dropping the words "Canadian citizens, Canadian corporations and" in the first question, and with that amendment to have it made an order for return. Then the next question should be made an order for return as it stands; then the words "Canadian citizens or Canadian corporations including" should be dropped from the next question and it would then become an order for return. It is really impossible for the government to answer the next question from its records, and it should be dropped entirely. The next question should be made an order for return, and the one after that should be dropped.

Mr. Speaker: I understand there is an agreement between the hon. member for Lambton West and the minister that these questions are to be considered as either being dropped in certain instances, or, subject to modification in other instances, answered or made orders for returns.

POINTE AUX OUTARDES—PROTECTION WALL

Mr. Dufresne:

1. Was any construction work done in connection with a protection wall at Pointe aux Outardes, Saguenay county, during the year 1952?

2. If so, what was the amount spent for such work?

3. Was the work done by contract or by day labour?

4. If by contract, (a) who submitted tenders and what was the amount of each tender; (b) who was the contractor?

5. If the work was done by day labour, who was the foreman?

Mr. Bourget:

1. Yes.
2. $9,214.75.
3. Day labour.
4. Answered by No. 3.
5. Armand Brisson.

FEDERAL HEALTH GRANTS

Mr. Noseworthy:

1. What is the amount that was available for each province for each year since 1948 under the federal health grant program?

2. What is the amount that was actually paid to each province for each year since 1948 under that program?

Mr. Robertson:

1.	1948–49	1949–50	1950–51	1951–52	1952–53(*c*)	1953–54(*d*)
Newfoundland	$ —	$ 923,518	$1,013,060	$1,027,005	$1,058,505	$1,229,702
Prince Edward Island	293,913	278,504	297,069	301,269	313,547	325,376
Nova Scotia	1,542,084	1,541,613	1,667,101	1,699,039	1,699,904	1,623,263
New Brunswick	1,226,191	1,226,248	1,343,758	1,365,796	1,382,959	1,342,203
Quebec	8,986,080	9,009,775	9,911,636	10,164,182	10,559,509	10,219,388
Ontario	9,668,425	9,739,949	10,622,784	10,898,076	11,369,158	10,948,791
Manitoba	1,806,331	1,803,150	1,971,964	2,017,850	2,023,595	1,952,260
Saskatchewan	2,002,077	1,990,483	2,133,948	2,175,435	2,138,225	2,035,061
Alberta	1,969,032	1,985,460	2,173,663	2,238,981	2,410,632	2,322,764
British Columbia	2,529,236	2,568,418	2,819,068	2,890,267	3,015,861	2,906,018
Northwest Territories	—	—	—	—	48,100	57,699
Yukon	—	—	—	—	28,600	34,634
All Provinces (*a*)	30,123,369	31,272,266	34,262,101(*b*)	35,188,600	36,561,495	35,510,059

(*a*) The public health research grant, unallotted by province, is included in the over-all totals and consists of:
1948–49 — $100,000
1949–50 — 205,148
1950–51 — 308,000
1951–52 — 410,700
1952–53 — 512,900
1953–54 — 512,900

(*b*) Includes an amount of $50 unallotted by province.
(*c*) Does not include a revote of $17,306,914 under the hospital construction grant.
(*d*) Does not include a revote of $12,993,767 under the hospital construction grant.

Questions

2.

	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54 (to January 15, 1954.)
Newfoundland	$ —	$ 607,657	$ 722,252	$ 735,769	$ 823,786	$ 332,300
Prince Edward Island	158,939	184,271	216,710	235,406	233,993	91,432
Nova Scotia	423,311	671,855	1,022,077	1,104,154	1,276,972	688,431
New Brunswick	460,741	464,651	617,993	1,092,289	1,160,570	517,776
Quebec	2,591,620	4,978,087	6,165,074	7,315,940	7,971,458	6,414,052
Ontario	1,445,760	4,109,969	4,493,101	7,068,260	8,292,081	3,336,572
Manitoba	445,986	749,358	1,060,320	1,134,332	1,485,358	845,531
Saskatchewan	655,934	1,294,955	1,436,930	1,538,755	1,980,965	766,720
Alberta	307,706	1,407,341	1,483,756	1,616,149	2,106,153	289,952
British Columbia	1,170,777	1,277,604	1,701,011	2,481,398	1,986,277	1,419,448
Northwest Territories	—	—	—	—	4,782	817
Yukon	—	—	—	—	10,960	—
All Provinces	7,660,774	15,745,748	18,919,224	24,322,452	27,333,355	14,703,031

NATIONAL EMPLOYMENT SERVICE

Mr. Knowles:

1. How many persons are employed by the executive and professional division of the national employment service?

2. What is the total annual cost of this division, (a) in salaries; (b) in all other expenditures?

3. How many persons have been placed in executive or professional positions, during each year since January 1, 1950, as a result of the efforts of this division?

Mr. Gregg:

1. 54.

2. (a) $198,784 including the recent civil service increases; (b) Travelling expenses: $1,615.72. As to expenses for rentals, stationery, equipment, etc., these are not allocated to any particular branch or service.

3. 1950, 5,808; 1951, 6,260; 1952, 6,819; 1953, 5,837.

THE RED ENSIGN

Mr. Pouliot:

Referring to the red ensign which is hoisted daily on the tower of this building and the arms or ensigns armorial tierced in fesse, what is the height and length in inches and the heraldic signification of

1. Gules three lions passant guardant in pale or;

2. a lion rampant within a double tressure flory-counter-flory gules;

3. azure a harp or stringed argent;

4. azure three fleurs-de-lis, or;

5. argent three maple leaves conjoined on one stem proper;

6. a royal helmet mantled argent doubled gules the crest, that is to say, on a wreath of the colours argent, and

7. gules a lion passant guardant or imperially crowned proper and holding in the dexter paw

8. a maple leaf gules;

9. and supporters on the dexter (a) a lion rampant or holding a lance argent, point or, flying therefrom to the dexter (b) the union flag, and (c) on the sinister a unicorn argent armed crined and unguled or, gorged with (d) a coronet composed of crosses-patée and (e) fleurs-de-lis a chain affixed thereto reflexed of the last, and holding (f) a like lance flying therefrom to the sinister (g) a banner azure charged with three fleurs-de-lis or; the whole ensigned with (h) the imperial crown proper and below the shield upon a wreath composed of (i) roses, (j) thistles, (k) shamrocks and (l) lilies a scroll azure inscribed with the motto—"A mari usque ad mare"?

10. Referring to No. 1, what is the official translation of "gules three lions passant guardant in pale or"?

11. Referring to No. 9, why does the union flag fly to the dexter and why does the banner azure charged with three fleurs-de-lis or fly to the sinister?

12. Is there any difference between (a) a lion rampant, (b) a lion passant and, (c) a lion passant guardant, and, if so, what is it?

13. At what date were the armorial bearings of the Dominion of Canada assigned by royal proclamation?

14. Who were the cabinet ministers of Canada at that time and what departments were they heading?

Mr. Pickersgill: This question would in the normal course of events be made an order for return, since it affects more than one department. The statistical material which is asked for in a number of the parts of the question is being furnished by the Department of Public Works, and I am tabling it as a part of the return. I am also tabling a list of the cabinet ministers asked for in part 14 of the question. The answer to part 13 is the 21st day of November, 1921. The answer to all the other parts of the question will be found in a publication put out by my department and printed by the queen's printer. I understand it can be secured for 25 cents. I have copies in both official languages which I intend to present to the hon. member for Temiscouata.

There is one part of the question, however, which I think I should refer to in the house, and that is the part asking for the official translation of the phrase "gules three lions passant guardant in pale or". The translation given in the proclamation is: "de gueules, à trois léopards d'or, l'un sur l'autre."

Now, sir, I am grateful to the hon. member for Temiscouata, and I am sure everyone else in the house will be, for letting us know that a French leopard can change its spots and become an English lion.

Mr. Pouliot: Because those leopards are spotless.

Mr. Pickersgill:

Department of Public Works:

The red ensign used daily on the peace tower is 12 feet by 5 feet 9 inches.

The space occupied by the shield is 23 inches long and 17¼ inches wide.

1. Gules three lions passant guardant in pale or, occupy 8½ inches in width and 7 inches in length.

The lions themselves are 6¼ inches high.

2. A lion rampant within a double tressure flory-counter-flory gules, occupies a space 8¾ inches wide and 7 inches long. The lion itself is 4⅜ inches long and 4¼ inches wide.

Each tressure is ¾ inches wide.

3. Azure a harp or stringed argent, occupies a space 7 inches wide and 5¾ inches long. The harp itself is 4½ inches wide and 5¾ inches long.

4. Azure three fleurs-de-lis, or, occupy space 6⅜ inches wide with ¾ of an inch between the top two and the bottom one, which is 2⅜ inches wide by 3 inches long.

5. Argent three maple leaves conjoined on one stem proper, occupy a space 9 inches long and 9¼ inches wide. From tip to tip they measure 9¼ inches and from the centre tip to bottom of stem 6¼ inches.

6 to 14. Not for this department.

Cabinet Ministers, as of 21st Nov., 1921, date of Royal proclamation approving Canadian coat of arms.

The cabinet formed by the Right Hon. Arthur Meighen July 10, 1920, was reorganized Sept. 21, 1921, as follows:—

The Right Hon. Arthur Meighen, P.C., K.C., B.A., Prime Minister, Secretary of State for External Affairs.

The Hon. Sir Albert Edward Kemp, K.C.M.G., Minister without Portfolio.

The Hon. Sir James Alexander Lougheed, K.C.M.G., K.C., Minister of the Interior; Superintendent General of Indian Affairs and Minister of Mines. (Leader of the Government in the Senate)

The Hon. Charles Colquhoun Ballantyne, Minister of Marine and Fisheries and Minister of the Naval Service.

The Hon. Gideon Decker Robertson, Minister of Labour.

The Hon. Hugh Guthrie, K.C., Minister of Militia and Defence.

The Hon. Sir Henry Lumley Drayton, K.C., K.B., Minister of Finance.

The Hon. Simon Fraser Tolmie, Minister of Agriculture.

The Hon. Fleming Blanchard McCurdy, Minister of Public Works.

The Hon. Edgar Keith Spinney, Minister without Portfolio.

The Hon. Louis de Gonzague Belley, K.C., Postmaster General.

The Hon. John Babington Macaulay Baxter, K.C., Minister of Customs and Excise.

The Hon. John Wesley Edwards, B.A., M.D., C.M., Minister of Immigration and Colonization and Minister in charge of the Department of Health.

The Hon. Louis Philippe Normand, President of the Privy Council.

The Hon. Rodolphe Monty, K.C., Secretary of State.

The Hon. Henry Herbert Stevens, Minister of Trade and Commerce.

The Hon. John Alexander Stewart, LL.B., Minister of Railways and Canals.

The Hon. Edmund Bristol, Minister without Portfolio.

The Hon. Robert James Manion, M.C., M.D., C.M., Minister of Soldiers' Civil Re-Establishment.

The Hon. James Robert Wilson, Minister without Portfolio.

The Hon. Richard Bedford Bennett, K.C., LL.B., Minister of Justice.

The Hon. Guillaume André Fauteux, Solicitor General (a member of the Ministry but not of the Cabinet) appointed Oct. 1st, 1921.

Mr. Speaker: Answered.

AWARDS CO-ORDINATION COMMITTEE

Mr. Diefenbaker:

1. Who are the members of the awards co-ordination committee?

2. How many cases have been referred to the said committee by the Secretary of State, in each of the years 1953 and 1954 to date?

3. Of the cases considered how many recommendations favourable to the granting of awards have been made and in how many cases were awards finally granted?

4. How long has this committee been in existence?

5. How often has it met since first constituted?

6. To whom are its recommendations given or made?

Mr. Pickersgill:

1. Undersecretary of state (chairman); secretary to the governor general; undersecretary of state for external affairs; deputy minister of transport; deputy minister of labour; dominion archivist; secretary to the naval board, R.C.N.; adjutant general of the Canadian Army; air member for personnel, R.C.A.F.

2 and 3. As these questions relate to the advice to the sovereign with respect to the exercise of the royal prerogative, it is not the practice to disclose the information on which advice is based.

4. Since 1942.

5. 46 times.

6. The Prime Minister, or in the case of proposed individual awards, the minister designated by the Prime Minister.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PATENTS OUTSIDE CANADA—PAYMENTS

Mr. Murphy (Lambton West):

What was the total estimated amount of money paid by government agencies for use of patents issued outside of Canada, for each of the years 1950 to 1953 inclusive?

FEDERAL RESEARCH, 1950-53

Mr. Murphy (Lambton West):

1. What department of government spent money for the purposes of research in the years 1950 to 1953 inclusive, and what was the amount spent by each department during each of the said years?

Orders for Returns

2. If any money was spent outside of Canada for purposes of research during these three years, what were the amounts per year and countries to which payments were made?

CANADIAN PATENTS—FOREIGN PAYMENTS

Mr. Murphy (Lambton West):

What was the total estimated amount of money paid by government agencies, for use of patents issued in Canada, to foreign residents or corporations or government agencies?

FEDERAL PAYMENTS FOR FOREIGN RESEARCH

Mr. Murphy (Lambton West):

What amount of money, if any, did the government or any government owned corporation pay to any foreign government, resident or corporation of a foreign country, for the purposes of research, during each of the years 1950 to 1953 inclusive?

FERTILIZER

Mr. McCullough (Moose Mountain):

What government control, if any, has there been over the distribution and price of fertilizer sold in Canada, during 1952 and 1953?

NATIONAL HEALTH INSURANCE

Mr. Knowles:

1. Since August 10, 1953, how many national organizations, or bodies representing national organizations, have presented briefs or made representations to the government, including a request for a national or nation-wide health insurance program?
2. What are the names of the organizations or bodies which have made such a request?
3. What has been the answer of the government to each such request?
4. Is consideration now being given by the government to the implementation of a national or nation-wide health insurance program?

VANCOUVER—NINE O'CLOCK GUN

Mr. Winch:

1. Has the Department of Transport decided not to pay the costs of firing the Vancouver nine o'clock gun after February 28 of this year?
2. If so, for what reason?
3. Was a similar decision reached regarding the costs of firing traditional guns in other localities? If so, where?
4. Will any other department of the federal government assume the responsibility for the financial cost of firing the nine o'clock gun?

GOVERNMENT ANNUITIES

Mr. Thatcher:

1. For the fiscal year ending March 31, 1953, how many (a) individual contracts; (b) group contracts, were issued by the government annuities branch?
2. What was the cost to the taxpayer of issuing the contracts in (1), including administration and any payments made to maintain reserve?
3. For the first nine months of the current year, how many (a) individual contracts; (b) group contracts, were issued by the government annuities branch?
4. What was the cost to the taxpayer of issuing the contracts in (3), including administration and any payments made to maintain reserve?

[Mr. Murphy (Lambton West).]

GOVERNMENT LIBRARIES

Mr. Thatcher:

1. How many individual libraries are maintained by government departments or agencies in Ottawa?
2. What is the staff of each such library?
3. What was the total cost in the last fiscal year of maintaining each such library?

MOTIONS FOR PAPERS

POINTE AUX OUTARDES—PROTECTION WALL

Mr. Dufresne:

For a copy of payrolls and lists of materials purchased, in connection with the construction of a protection wall at Pointe aux Outardes, Saguenay county, in 1952.

KURT MEYER

Mr. Drew:

For a copy of all correspondence, telegrams, cablegrams, recorded telephone or other conversations between the government of Canada and any other government authority, person or persons and all documents in the government's possession relating to the trial, death sentence, commuting to a sentence of life imprisonment, the removal from the Canadian prison at Dorchester, New Brunswick, and the further commuting of sentence to imprisonment for fourteen years of Major General Kurt Meyer.

Mr. Claxton: This motion relates to several departments and I have been asked to state the government's position.

Parliament is not the place to try or retry criminal cases of any class and this has always been recognized in the past. Motions for the production of papers relating to trials and remissions of all kinds have not been allowed, as not being in accord with practice or the public interest.

As I stated in the house a few days ago, mixed consultative boards were set up to review sentences of all war criminals still in custody in western Germany. The British high commissioner set up the board to review the cases of all war criminals in custody in the British zone. Meyer and Neitz were among those in custody in the British zone and the Canadian government agreed that they should not be excluded from the review.

The government appointed an outstanding lawyer and a distinguished soldier, Brigadier Sherwood Lett, as observer during the proceedings and to advise the government.

The board recommended that the sentence be reduced to fourteen years. The recommendation was unanimous and it was supported by Brigadier Lett.

So far as is known, every recommendation of every board in every zone has been accepted by the government concerned.

In this case the Canadian government could either reject or accept the recommendation

made by the board and supported by the observer appointed for the purpose. The government of Canada accepted the recommendation. I now table the orders in council giving effect to this decision, dated January 15, 1954, being P.C. 1954/74 and 75. The orders speak for themselves. Of course the government does, as it must, accept full responsibility for them.

For the reasons stated the government is opposing the motion.

Mr. Drew: Mr. Speaker, I had hoped that this motion might have been accepted by the government because there is no suggestion in this case of a retrial. The circumstances here are not the ordinary circumstances relating to the reconsideration of the punishment due to any convicted member of the armed forces or those who served at one time a former enemy.

Kurt Meyer was found guilty and sentenced to death. Subsequently other steps were taken. We are unaware of the details. Kurt Meyer was transferred from this country under circumstances which left a great deal to the imagination, particularly so far as members of this parliament are concerned. We suddenly found that Kurt Meyer had departed and we did not know whether there had been any previous arrangement. It will be recalled that the suggestion was then made that the spiriting of Kurt Meyer out of Canada at the time was simply preliminary to his subsequent release at an early date. The fears thus expressed have been confirmed by what has taken place.

If there are circumstances which would be disclosed by the material now called for justifying any other decision, then I think we should know of such circumstances. I think it is altogether right and proper, if Kurt Meyer was wrongly dealt with, that his name should be cleared. But a distinction must be drawn between the case of Kurt Meyer and the other cases that were under review.

Those who carry rifles or handle other weapons in the field of battle are entitled to have consideration given to the fact that they are under orders and must obey orders. Officers in command of armies are called upon to interpret the political decisions of governments and there have been cases where that has been given due consideration in dealing with army commanders, even though the conduct of the troops under them may have seemed outrageous and atrocious.

But when an officer in command of fighting troops is found to be guilty of the responsibility, as in this case, extending to the death of young Canadian men in uniform taken prisoner on the field of battle, that officer must be held responsible for such an act, or the rules of war will be disregarded at will in the future. At any rate there will be encouragement to follow such a course.

Kurt Meyer either was responsible for the death of young Canadians contrary to the rules of war or he was not. If he was not, then his name should be cleared. If he was, then the procedure that has been followed is not consistent with the best interests of the recognized practices of armies in the field. I submit that this parliament, as the supreme authority in this country, should have the opportunity of examining the exchanges that took place.

I submit that we should know whether there was in fact any prior understanding at the time Kurt Meyer left Canada with the authority and assistance and approval of this government. I submit that we should know whether there was in fact anything in the exchange of correspondence that suggested that a wrong was being righted. I think we should know also, and the parents of young Canadians should know, whether that was the case, or whether a man serving a terrible system was in fact guilty but has been brought almost to the door of freedom for purposes which have not yet been disclosed to this parliament or to the people of Canada.

Mr. Claxton: Mr. Speaker, only a word, the occasion for which arises out of what the Leader of the Opposition (Mr. Drew) has said. I think it is evident from what he did say that the purpose for which he is calling for the production of these papers is precisely the purpose for which I suggested that such papers should not be produced. There is no question of the guilt or responsibility of Kurt Meyer involved; that was determined by the court martial. He was found guilty on three out of five counts.

The only question involved subsequent to that was what sentence was proper to be imposed on him. The court martial imposed a sentence of death. That sentence was not valid until it had been confirmed and the death sentence was never confirmed. The confirming officer, acting independently on his own authority, Major General Chris Vokes —a fighting soldier if ever there was one— confirmed the sentence with the sentence of life imprisonment.

Kurt Meyer was transferred to Canada to serve his sentence. With the development of events after he had been here some six years it was apparent that he was the only single war criminal convicted of an offence committed in Germany and punished after trial in Germany who was serving his sentence outside of Germany. It was not in order to treat him separately and differently from anyone else that he was transferred back to Germany but in order that his case might be treated precisely the same as every other case of a man sentenced by a similar tribunal and receiving a similar punishment.

On that account he was dealt with just the same way as all other cases were dealt with by the British, French and American authorities in respect of similar cases. Now a tribunal set up by the British authorities in virtue of authority they have and agreed to by us has acted in precisely the same way as tribunals set up by the American and French authorities. In every case, so far as is known to us, the recommendation of the mixed consultative board has been carried out, accepted and acted upon by the government concerned.

Are we in this case going to be the only country to make an exception in respect of this case and treat Kurt Meyer separately and differently from every other war criminal?

Mr. Coldwell: May I say just this word.

Mr. Speaker: Order.

Mr. Coldwell: I think the issue has been obscured. We are not asking the right to judge—

Mr. Speaker: Order.

Mr. Coldwell: —a man, we are asking the right to see papers.

Mr. Speaker: Order. Hon. members will understand that under the provisions of standing order 51 hon. members may put this type of motion on the order paper. If a motion is inscribed under "Notices of Motions for Production of Papers" with an asterisk it is supposed to be disposed of without debate. After the minister had explained why he did not want to allow the motion to go through he made a statement and I allowed the mover of the motion to make his observations.

Hon. members will realize that if I were to show more leniency from now on I might as well consider this as a debatable motion. This is not the time to discuss a notice of motion, which would come later. When an hon. member wishes to have a certain matter debated he has it inscribed, not under "Notices of Motions for Production of Papers" but under "Notices of Motions." When the order "Notices of Motions" is called it would be debatable. Standing order 51 reads:

> Notices of motion for the production of papers which the member asking for the same intends to move without discussion, shall be marked by him with an asterisk—

If hon. members will look at the order paper they will see that this motion is marked with an asterisk.

> —and shall be placed by the Clerk on the order paper above "Notices of Motions," under the heading "Notices of Motions for the Production of Papers."

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

YEAS

Messrs:

Adamson	Jones
Aitken, Miss	Knight
Argue	Knowles
Barnett	Leboe
Bennett, Miss (Halton)	Lennard
Blackmore	Macdonnell
Brooks	MacInnis
Bryson	MacLean
Cameron (Nanaimo)	McCullough (Moose Mountain)
Campbell	McLeod
Castleden	Mitchell (London)
Churchill	Monteith
Coldwell	Montgomery
Diefenbaker	Nesbitt
Dinsdale	Noseworthy
Drew	Nowlan
Dufresne	Patterson
Ellis	Pearkes
Fairclough, Mrs.	Quelch
Fleming	Regier
Fulton	Robinson (Bruce)
Gillis	Stanton
Goode	Stewart (Winnipeg North)
Green	Thatcher
Hamilton	Trainor
Hansell	Tustin
Harkness	White (Middlesex East)
Hodgson	Winch
Holowach	Wylie
Howe (Wellington-Huron)	Yuill
Johnson (Kindersley)	Zaplitny—63.
Johnston (Bow River)	

NAYS

Messrs:

Anderson	Caron
Applewhaite	Carter
Ashbourne	Cavers
Balcom	Chevrier
Batten	Clark
Benidickson	Claxton
Bennett (Grey North)	Cloutier
Boisvert	Cote
Bourget	Croll
Brown (Brantford)	Dechene
Brown (Essex West)	Deschatelets
Bruneau	Dickey
Buchanan	Dupuis
Byrne	Enfield
Campney	Eyre
Cardin	Fairey

Fraser (St. John's East)	Martin
Gagnon	Matheson
Garson	Mitchell (Sudbury)
Gauthier (Lake St. John)	Monette
Gauthier (Portneuf)	Murphy (Westmorland)
Gingras	Nixon
Gour (Russell)	Pearson
Gourd (Chapleau)	Philpott
Gregg	Pickersgill
Habel	Pommer
Hanna	Pouliot
Hardie	Power (Quebec South)
Harris	Power (St. John's West)
Houck	Prudham
Howe (Port Arthur)	Purdy
Jutras	Reinke
Kickham	Robertson
Kirk (Shelburne-Yarmouth-Clare)	Robichaud
	Robinson (Simcoe East)
LaCroix	St. Laurent
Lafontaine	Schneider
Langlois (Gaspe)	Shipley, Mrs.
Lapointe	Simmons
Legare	Sinclair
Lesage	Stick
Lusby	Stuart (Charlotte)
MacDougall	Studer
MacEachen	Tucker
MacKenzie	Valois
MacNaught	Villeneuve
McCann	Weaver
McCulloch (Pictou)	Weir
McIlraith	Weselak
McIvor	Winters
McWilliam	Wood—102.
Mang	

Mr. Thomas: I was paired with the hon. member for Hamilton East (Mr. Ross). Had I voted, I would have voted for the motion.

RICHARD NOWALINSKI

Mr. Pearkes:

For a copy of all letters, telegrams and other documents, from June 1, 1953 to date, connected with the arrest, internment and deportation of one, Richard Nowalinski, a Polish seaman who left his ship at a British Columbia port during the summer of 1953.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR STATEMENT FROM GOVERNMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. What steps is the government taking to deal with the serious unemployment situation now facing this country?

Right Hon. L. S. St. Laurent (Prime Minister): The government is not forgetting that in 1950 there was supposed to be a very serious unemployment situation which, as the season advanced, gradually disappeared. There are at this time more applications for jobs than there were at that time but a substantial portion of those applications are from people who are already employed but who would like to improve their employment conditions. Nothing is being done now except the increased endeavours of the various employment agencies throughout the country to find employment for those who have registered with them.

WATER POLLUTION

NORTH SASKATCHEWAN RIVER—INQUIRY AS TO ACTION BY FEDERAL GOVERNMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of National Health and Welfare, bringing to his attention again the emergent situation, in Prince Albert and also in North Battleford, which is becoming more serious rather than better. In an editorial I have here in my hand I see a description of conditions of the water at Prince Albert. Those who speak with authority describe it as "water comparable to low grade swamp wash laced with crude oil".

In view of the fact that this situation has continued for a considerable period of time, I would ask the minister what stand the federal government is taking with reference to this matter and the removal of this nuisance, or at least to give assistance in that direction. I would also ask whether, under all the circumstances, regardless of federal responsibility or otherwise, he would make available and send out to Prince Albert one or two of his officials to see what they can do to solve the problem there and to preserve the health of the people. The situation is serious.

Hon. Paul Martin (Minister of National Health and Welfare): My hon. friend does not now deal with the question of competence. That was dealt with in the question which he put to me the other day. He now asks me if we would be prepared to send out to the provinces of Alberta and Saskatchewan officials of our own department who are technically qualified to assist in this matter. I am happy to be able to inform my hon. friend that not only will we be able to do so but that we have already done so. Last Friday the supervising engineer of the public health engineering division of our department attended a meeting in Edmonton with the representative of the company and the department of health, and the matter was fully reviewed. The technical officers, including our own officials, are now engaged in determining the precise cause of the pollution. The supervising engineer has also been in touch with the officials of the department of health in Regina. My hon. friend may be

assured that, without in any way begging the question of competence, the federal government will do all it can do to assist the provincial authorities to carry out their constitutional responsibility.

Mr. Diefenbaker: I thank the minister for his reply, and I should like to ask a supplementary question. The other day I asked him to ascertain the responsibility of the federal government in connection with rivers that traverse two or more provinces. Has he had any legal opinion on that matter? Is it not a fact that, under the situation disclosed here, there is a distinct responsibility federally to look into this matter and to act?

Mr. Martin: I do not believe I can add anything to what I said in answer to the supplementary question put to me by my hon. friend about four or five days ago.

NATIONAL DEFENCE

RESERVE ARMY—REQUEST FOR TABLING OF KENNEDY REPORT

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I direct a question to the Minister of National Defence. Will he table the Kennedy report on reorganization of the reserve army or, failing that, will he make a statement as to the findings of that committee?

Hon. Brooke Claxton (Minister of National Defence): The hon. member gave me notice of the question. The report referred to is a report of a board of officers consisting of Major General Howard Kennedy, Major General E. J. Renaud and Major General H. F. G. Letson, which was appointed with my concurrence by the chief of the general staff to advise him regarding certain matters relating to the reserve army. The report has been made to the chief of the general staff. It is naturally a confidential document intended for his information in order that he may advise me. The report is being given consideration, and I hope to tell the house at a very early date what measures are being taken to implement it. Anticipating this I may say that we hope it will be possible to carry out the great majority of the recommendations of the report, which is a most constructive and helpful document.

[*Later:*]

Hon. George A. Drew (Leader of the Opposition): With respect to the question asked by the hon. member for Esquimalt-Saanich and the reply of the Minister of National Defence, may I ask the minister if copies of the report on the reorganization of the reserve forces to which he has referred will be available to the officers attending the conference of defence associations, or at least the senior officers of the different component associations, before that conference meets in Ottawa.

Mr. Claxton: The conference met on Thursday, Friday and Saturday of last week. I do not think copies were made available, but the main lines of the recommendations were gone over and considered by them with the result that they authorized a press release, in which I concurred, in which they said that they accepted the recommendations of the report in principle.

POLIOMYELITIS

INQUIRY AS TO NEW VACCINE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Minister of National Health and Welfare arising out of a report appearing in the Winnipeg *Free Press* of January 18 headed "Manitoba Won't Get Vaccine". If the statement attributed to Dr. Elliott, deputy minister of health, is true, will the minister inform the house why Canada will not get some of the new vaccine from the Connaught laboratories?

Hon. Paul Martin (Minister of National Health and Welfare): I think I have already dealt with this question. The story in the Winnipeg paper is of course not in harmony with what I said when I replied to the question about ten days ago in the house. The vaccine referred to is being examined and research in connection with its production is taking place at the Connaught laboratories in Toronto. Much of the funds to make this research project possible have been provided by the federal government under the national health program. What my hon. friend has in mind is whether or not tests of the vaccine will take place in Canada as well as in the United States. We are following the tests in the United States before deciding to use a vaccine, not yet a certain remedy, on people in Canada. But my hon. friend may be assured that the medical scientists who are advising us, and who have charge of this matter, are satisfied that we are following a sensible course.

GRAIN

DELIVERIES UNDER QUOTAS—REQUEST FOR INCREASE

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): On Friday last the hon. member for Prince Albert (Mr. Diefenbaker)

asked for certain information about delivery quotas on prairie grain. I gave a partial answer at that time, and I can now give more complete data. The over-all quota is five bushels per cultivated acre with the proviso that every producer is entitled to deliver a minimum of 1,000 bushels of grain. There is a supplementary quota on oats of twelve bushels per acre seeded to oats. Special quotas on malting barley can be obtained on application. They are being issued freely. Of course there is no quota on flax or Durum wheat and these grains can be delivered in unlimited quantities.

It is estimated that the five bushel quota with the minimum of 1,000 bushels represents 391 million bushels of grain. Deliveries up to Saturday last had totalled 356 million bushels of grain but of that amount some 40 million bushels were delivered *ex* five bushel quota, so that deliveries against the five bushel quota were 314 million bushels. While it is probable that the present quota may be reached before the opening of navigation, it is unlikely that any additional quota will be authorized until the opening of navigation and until there is space to take further deliveries at Fort William.

Mr. Diefenbaker: In effect, there is no possibility until the opening of navigation of any increase to eight or any larger quota in the light of present anticipated deliveries and capacity. Is that correct?

Mr. Howe (Port Arthur): I would prefer to say that there is no probability although special quotas may be opened except for supplementary quotas such as the special six bushel quota on oats which was opened only last week. The over-all quota of five bushels per acre will probably not be exceeded until the opening of navigation.

Mr. Argue: I wonder if the minister can tell us when navigation may open with relation to normal practice.

Some hon. Members: Oh, oh.

Mr. Argue: I saw a press report the other day which said that this year navigation would in all probability, irrespective of ice conditions, open at a later date than it has for a number of years. It said that recent practice has been to use every available day for navigation and that that practice would probably be discontinued and the season shortened. Does the minister know anything about it?

Mr. Howe (Port Arthur): All I can say is that based on my experience extending over some 40 years, navigation opens just about a week before the ice goes out.

National Housing Act

NATIONAL HOUSING ACT

SUBSTITUTION OF NEW LEGISLATION TO INSURE APPROVED LENDERS, ETC.

The house resumed, from Friday, January 22, consideration of the motion of Mr. Winters for the second reading of Bill No. 102, to promote the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, at a rather late hour on Friday night I rose with the intention of adjourning this debate but was encouraged by the minister to make a start. It occurred to me that perhaps he had entertained the hope that I would make a start then and finish and not prolong the agony over the week end. However, on reflection I decided that was a rather cynical point of view, and I was a bit surprised to see that I had already succumbed to the atmosphere of Ottawa. The more charitable interpretation which I have adopted is that the minister really wanted to hear what I had to say and was just impatient on that occasion.

On Friday I was discussing some of the matters pertaining to this bill, and I indicated that I would not deal at any length with part I or attempt to repeat any of the arguments in that connection but would give some attention to parts II and III. The minister mentioned parts II and III in the course of his remarks earlier but did not elaborate upon them and did not point out any greatly needed changes with regard to these particular parts of the bill. I judged from this that the purpose for which parts II and III were designed is being fulfilled, and that nothing further need be done concerning those particular sections of the bill. It is obvious that in any extension of part I, by the filtering down process, which will result in increasing the number of new homes constructed, some benefit will accrue to those people who at present are unable to get rental accommodation or the home ownership accommodation they require. Nevertheless the filtering down process, as we know, works very slowly, and it is measures such as those outlined in parts II and III which are considered necessary, if we are to cope with some of the other problems connected with housing.

I appreciate the fact that difficulty is experienced by some people in understanding the housing situation. On occasion there is an obvious reluctance on the part of certain public bodies to face up to the housing problem, and this is understandable. Time and

again I have had people remark to me, "How can there possibly be a housing shortage when we see all these new developments?" One sees those developments everywhere in Canada. They say, "Why is there still a shortage of houses?"

Of course the reason is twofold. In the first instance, as has been pointed out, family formations have kept pace with the construction of new homes, to a very large extent. Then there is that backlog which has been mentioned by other hon. members—and which I mentioned on Friday night—of anywhere from 100,000 to 500,000 homes, which is not being reduced appreciably by the construction of new homes. Therefore the housing shortage continues, despite the new construction we see all around us.

We are in a transitional period in our civilization. Pioneer days are still a vivid memory, and the adjustment to a more highly organized industrial condition of life is being made slowly. For some people it is difficult, on that account, to appreciate the present problem in the matter of housing. In earlier years the task for many was simply the elementary one of physical labour. I have talked to people who constructed sod houses on the prairies. Anyone who is willing to work could construct that type of accommodation for himself. Similarly a log house could be constructed with little more effort. From that to the frame house was a step depending upon increased income from developed farms.

Governmental assistance and planning was unknown and unexpected. I appreciate the attitude taken by people of the pioneer generation, and by others, who have endured with courage and patience the difficult living conditions they have known. I appreciate the fact that they are not prone to view with enthusiasm any plans that, at first glance, appear merely to afford an easy means of producing luxuries unknown in the earlier period. They realize that life is possible, without all the newfangled gadgets and amenities of modern urban communities.

It is quite true that existence is possible for human beings under primitive conditions. At the same time it is true that bad living conditions exact a heavy toll in disease, in suffering and in reduced expectancy of life. The price paid by earlier generations was the price of a shorter span of life, more suffering from disease and an abnormally high rate of infant mortality.

This leads me to a consideration briefly of the effect of housing on health. As we know, housing is not the only factor that makes for better living or for the improvement of the health of a nation. But it is certainly an important factor, and there is plenty of evidence that this is so. In a book published by Edith E. Wood entitled "Housing" she has this to say:

> The two nations with the lowest general and infant death rates in the world are Holland and New Zealand. One is old, densely populated, highly urbanized and industrialized; the other is new, sparsely settled and predominantly agricultural. Both have been outstanding in their attention to housing conditions since the turn of the century.

I have not had the pleasure of seeing New Zealand, but a great part of Holland is rather familiar territory. It is a thickly populated country. The houses in the towns and cities are close together, but so far as I could see there are no slums in Holland. There may be, but I could not find them—and I looked for them in the years when I was over there. I looked for them in places that are familiar to many hon. members—Tilburg, Breda, Hertogenbosch, Nijmegen, Apeldoorn. I found no slums, but I did find well-built, substantial homes, even for the poorer classes.

I talked about housing in Holland with a wealthy grain merchant in Tilburg, whose offices we occupied for military purposes. Incidentally he is, or was, an importer of Canadian wheat and an enthusiast for Manitoba No. 1 hard. He informed me, with pride, that not one of his employees was badly housed, and showed me where many of them lived. I visited some of those homes of the working people and found them to be not pretentious dwellings but sturdy brick houses of good appearance, of reasonable size, of obvious comfort and, in typical Dutch fashion, of perfect cleanliness.

In a desire to learn how this had come about, I investigated a little further and gained the information that Holland had embarked upon a housing program as far back as 1901, and had dealt with these matters basically. It was the first attempt on the part of Holland to provide for and to regulate housing in general. Under the legislation then introduced over 10 per cent of the houses in Holland were built by municipalities and public housing societies. Organizations and tenants were permitted to borrow 100 per cent of the cost of their buildings, the buildings to be paid for in 50 years and the land in 75 years.

I have not had the opportunity to investigate further to learn the financial details in this connection, but I simply record these facts as evidence of something I had the pleasure of seeing; and my observations were confirmed by this gentleman in Tilburg, who understood the situation.

Sometimes we are prone to think that Canadians have the highest standard of living in the world. I have never been quite able to understand that phrase, because I do not know how one would go about estimating a standard of living, unless it were merely by a process of counting automobiles, vacuum cleaners, bathtubs, or something like that. If you use the yardstick of housing, Canada has little to boast about and a very great deal to learn. I well recall how surprised Canadian soldiers were when they entered Holland and saw the living conditions of the people in places where the war had not caused destruction.

Again, on the question of housing and its effect on health, I had occasion to delve closely into the book published by Mr. Abrams called "The Future of Housing". He was dealing with the situation in New York city and with the situation in other cities in the United States. The subject that he was discussing was the effect of slums with regard to social evils. May I give a quotation from that book, which is as follows:

> That slums breed juvenile delinquency and crime has long been contended. They provide the physical, and encourage the social environment that nourishes growth from truant to juvenile delinquent to felon. The prevalence of a high delinquency rate in slum areas has been established by many authorities and studies . . . In one Chicago slum area one out of every four boys between 10 and 17 years appeared in juvenile court in a single year. In Hartford slums, delinquencies were twice as high as in the rest of the city. In Cleveland the rate was three times as high. In Washington, D.C., more than 72 per cent of all juvenile probationers were said to come from overcrowded dwellings . . .

Mr. Abrams investigated the problem of what happens when you rehouse slum dwellers; that is, when the effects of this bill are put into force and slums are cleared away, what happens? Well, the evidence, according to his investigation, was: Fires per 1,000 houses in the new area where the slum had been cleared away and new buildings erected were 2 per 1,000. In an old adjacent slum area similar to the one which had been cleared away, the fires per 1,000 dwellings were 180. Deaths from pneumonia were 2 as contrasted with 14 per 1,000 people, comparing the new cleared area with the old adjacent slum area. Tuberculosis deaths were three times as great in the adjacent slum area. Infant mortality was 2 per 1,000 in the new cleared area as compared to 10 per 1,000 in the old slum area. He then goes on to deal with the excessive costs of public services with regard to those blighted areas and points out in respect to Atlanta, Georgia:

> The slum areas of the city contributed 5½ per cent of the city's tax revenues from real estate, but cost the city 53 per cent of its police, fire, health department and other service costs.

It is possible to multiply these examples and draw upon the experience of other countries, but there is no need to go far afield, which I think is unfortunate. We have had surveys in Canada which indicate things somewhat along the same lines. For example, in the city of Winnipeg, and I am quoting from the Winnipeg *Tribune* of October 24, 1953, we read:

> That poor housing is costly to Winnipeg taxpayers and is responsible for higher rates of disease, delinquency and other welfare problems, is shown by a study conducted by the late Mrs. R. F. McWilliams, when she was an alderman in Winnipeg in 1935.
>
> It was found that in two crowded downtown areas scarlet fever and diphtheria cases were 13·6 and 15·7 annually for 1,000 of child population as compared with 7·5 for the rest of the city.
>
> Deaths from tuberculosis were 4·6 and 7·9 annually per 10,000 of population as compared with 2·9 for the rest of the city.
>
> Juvenile court cases were 16·9 and 23·7 per 1,000 pupils as compared with 11·5 for the rest of the city. The excess cost to the city for seven municipal services in these two areas was computed by the deputy city treasurer as being $450,000 annually.

I give the example of Winnipeg merely because it is where I live. I understand and have seen some of the living conditions of the people in that city. I do not think the situation in Winnipeg differs materially from that in other cities across the country.

Those matters of slum clearance and so on are supposed to be dealt with in part III of the bill. Part II of the bill deals with the question of providing rental housing. I have been interested in this for a number of years. It was the first object of interest for me when I returned from overseas in 1946 and entered the Manitoba legislature. At that time I investigated the situation for veterans as far as wartime housing was concerned, and I found that the need for wartime housing exceeded the number available by well over 1,000. The qualifications, you will remember, were: married; overseas service; two or more children. Then, three months ago I inquired again with regard to the wartime housing in Winnipeg and I was informed by those who are responsible that the waiting list at that time was 1,300, a longer waiting list than prevailed in 1946.

I took an interest in emergency shelters in the city of Winnipeg from 1946 on, and became perfectly familiar with emergency shelters that had been set up in the city. There are still emergency shelters in the city of Winnipeg in 1954. According to the report given to the Winnipeg city council not so long ago there are 199 families living in emergency shelters at the present time, and during the course of the year 1953, 932 families applied for emergency accommodation.

Just to indicate the situation I quote two paragraphs from the Winnipeg *Tribune* of January 14, 1954:

> Drafting of a new by-law to enforce higher standards of housing and curb the growth of slums in Winnipeg was recommended today in a report prepared by William Courage, city's emergency housing supervisor.
>
> Mr. Courage reported that living conditions of low-income families with children are more acute now than when the city first set up its housing committee in 1933.

I will show in a minute, Mr. Speaker, why I am drawing attention to these matters of the need of rental housing and the need of slum clearance. But let us consider what the effect of housing is on those who are most seriously concerned. It is interesting to note that in the remarks that were made last week on the question of housing we spoke about—what?—people; about family formation. The number of houses required has a close relation to family formation in the country, and it brings us then of course to a point of interest in that part of our national organization that is most important, and that is the family. We fully agree with and recognize the fact that it is groups of families that form our community and in turn support the superstructure of government on all levels. Unless the family unit is sound all else suffers, and of course the family unit is more concerned with housing than with almost any other problem. Because of faulty housing of families in some areas we are compelled to devote millions of money toward supporting mental institutions, health services, penal institutions and law enforcement services. We lament the growth of delinquency, the increase in divorce, the mounting toll of mental ill-health and the ravages of disease, yet we fail to take adequate measures to counteract the environmental factors that are partly responsible for these social troubles.

That environment contributes to social ills has been proved without shadow of doubt. That adequate housing can assist in preventing the development of these social ills has been clearly demonstrated. If the family unit can be strengthened and maintained under proper circumstances in suitable homes, the children have an opportunity for healthful development.

The nurture and care of children is of prime importance. In their turn they become the working element of the population and provide for and protect the older generation. If the older generation is wise it will ensure that the younger generation is healthy in body and mind. Adequate housing in the interests of the family unit and of the children in particular is sufficient ground for government planning.

We realize that the problem of housing is a difficult one to solve, but to what extent should we urge a solution? I am quite sure that at this point the minister will be prepared to say that the government is perfectly willing to play a part in doing those things which are being advocated to provide rental accommodation and slum clearance and that parts II and III of the act are in the bill for that express purpose. Those parts have been operative for some time. I ask the minister: Why is it, if those parts are satisfactory, that we still have these problems of the lack of rental accommodation and the development of slums?

I was discouraged to read that William Courage had reported to the city of Winnipeg that some action must be taken to curb the growth of slums. I had hoped that at this stage we would have come sufficiently to grips with the problem that there would be no further growth of slum conditions.

I suggest to the minister that when he was rewriting the parts of this bill he should have given more attention to parts II and III. I think we should have a picture given to us of how these parts have operated in the past and what effect they are producing. We should have indicated to us why they are not measuring up to our expectations.

The burden is not solely with the dominion government as the provinces and municipalities have to play their part. I wonder if the problem does not arise because of the situation in which the municipalities have been placed. When the hon. member for Eglinton (Mr. Fleming) was speaking the other day he quoted from a statement by the minister in which it was indicated that one of the great bottlenecks, perhaps the largest in connection with the problem of housing, was the provision of serviced land, that it was the inability of municipalities to provide serviced land that helped to create the bottleneck. Then the hon. member for Eglinton made a comment which I think deserves repetition and I quote from page 1321 of *Hansard* of January 21:

> The municipalities of this country, sir, are functioning today with virtually the same tax base that was given to them at the time of confederation. And, with the rapidly soaring costs of providing municipal services, demanded by all residents, it has become beyond the power of municipalities to meet the responsibilities they are now expected to discharge under existing legislation.

My observation of municipal government is that it does set a very good example in this country of efficiency and economy, but it has been pointed out time and time again in this house that in recent years the municipalities have been curbed because of their

lack of financial strength. Should not the minister give some attention to this? If the municipalities are unable to meet the fairly generous offers contained in parts II and III of the bill, then a review of the situation should be considered. Let us make it possible for the municipalities to deal with these problems which are affecting them adversely in so many ways.

I would conclude with one remark. In so far as rental accommodation is not provided to meet the needs of our people, in so far as slum clearance is not proceeded with vigorously and with dispatch, to that extent the present bill falls far short of what is desired.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I intend to speak but briefly on this bill. While I was sitting here thinking of what I might say when I got up, and making a note or two upon which I might base what I had to say, I had interjected into my thinking a statement by the Prime Minister (Mr. St. Laurent) a few minutes ago when he said that he did not intend to initiate any move at the moment to combat unemployment for the reasons which he stated. I have no doubt that he was sincere in stating those reasons. One reason given was that it was merely a temporary condition. I do not think that this new bill in regard to housing will have much effect upon the unemployment situation. I sincerely do not think that it will result in the building of many more houses than would have been built under the original act.

I wish the government would show some bold imagination in this connection. In spite of the fact that you might have called me to order on my first sentence, I do submit that there is some connection between the two subjects of housing and unemployment. If we had a bold imaginative program for subsidized rental housing, if we had a government scheme instead of the government retreating from housing; if they would get into it wholeheartedly; if they would set some of these unemployed people to work; if they would give them employment with the hope that they would earn sufficient money to get into a house on any terms; then I think the government would be doing something worth while.

I must say that I think that up to now the government has been bankrupt of ideas in regard to both unemployment and housing. That may be rough criticism, but that is what I think. As long as this government is in power I do not think that we will have our people properly and sufficiently housed. I am a great believer in the ownership of homes. The hon. member for Winnipeg South Centre (Mr. Churchill) has referred to the necessity of having a good environment for children. Needless to say I am entirely in agreement with that statement.

I have shown some interest in this house in young people, in their education and in their health. I feel quite convinced that those two things affect the rising generation. It is the same with a home. Let every man sit under his own fig tree. I hope he can. But if he cannot have a fig tree of his own, I hope he can at least find a fig tree. In other words, if it is impossible for him to own a house then it should be possible for him to rent one according to what the economic condition of the country allows him to pay.

In my own city of Saskatoon we are getting along reasonably well with housing. Some hon. members may know that we have various housing schemes under the Central Mortgage and Housing Corporation which are going along all right, except that some of my friends who are in the contracting business claim they are not getting enough of them. But they can fight that out with the minister.

We are being helped too in the matter of rental housing by the fact that one or two outside firms are coming into the city and will begin extensive building this spring. That will help to ease the situation but there are still many people, in spite of the fact that, as I believe, living conditions there are as good as any in Canada, who are still living in quarters where three and four families are using the same bathroom. These are the so-called suites. I need not tell hon. members that some of these suites that are available to rent usually comprise a room with something that I think some would call a kitchenette, but which you and I would call a clothes closet, with one electric burner or unit on which perhaps you could fry an egg if you were lucky.

There is one matter I wish to draw to the attention of the minister which arises out of various complaints I have received. Many people have approached me, young men, who have gone into Central Mortgage housing schemes and they have discovered after being in the houses weeks or perhaps a few months, after putting money into them, that there were faults in the houses such as cracks in the basement, and badly fitting doors or something wrong with the construction. They try to do something about it and are told that once the contractor has been paid out there is really nothing that can be done about it. "You should have spoken earlier", is the answer they get.

I would suggest it takes time and a certain amount of living in a house to discover whether it meets your expectations or not.

I would also suggest that this matter needs some attention, because I feel these people have a just cause for complaint. I believe there should be a fairly substantial reserve laid aside which would be payable to a contractor when and if the house proved to be satisfactory.

As regards the bill itself, on the face of it it looks to me like a plan which, whatever its intention may be, will result in putting a larger number of people into a larger amount of debt over a longer period of time. That may result in the building of more houses. I hope it will. Some hon. members have expressed the view that it will not.

This bill does not set out a definite rate of interest. We have been given to understand that the rate of interest will probably be 5¾ per cent. I would submit that in any contract, particularly one that covers a long period of time as this one is likely to do, the rate of interest is the crux of the whole matter.

I had some experience myself in paying for a house and I finally managed it just before I came to this house, but I certainly realize now what I let myself in for when I signed an agreement at 7 per cent. It was later reduced to 6 per cent. I have not worked it out but I am quite sure that a 1 per cent difference in the rate of interest over a period of years could quite easily mean a difference of $1,000 in the final cost of the house.

Unfortunately, people are apt to overlook the interest rate. My experience has been that the immediate problem of those desperate young people to whom I have talked and who have talked to me is to get into a house. When you have a wife and three children naturally your immediate problem is to get them out of such-and-such an hotel and get them into a place of your own. When agreements are presented to them under such conditions I am afraid they do not scrutinize very closely the rate of interest. The important thing to them at that moment is the down payment and when they do find themselves in a house under a 25-year contract the result is that they have a long, long time —as I myself found—to think over their recklessness in accepting that particular kind of proposition.

I think the interest rate is the crux of this whole measure and I believe that interest rate should be lowered. Someone has mentioned a rate of 2 per cent. I am well aware that that would entail a subsidization on the part of the government. I am well aware that the government is getting or can get its money at 3¾ per cent, and that there is a difference of 1¾ per cent that would have to be made up by someone. I am not foolish enough to believe houses can be built out of thin air. It would mean subsidization, but I think that is justified if you admit that housing is a national and social problem and if you agree that housing like health is to a certain extent at least a matter of government responsibility.

Under this bill the government is not shouldering its housing responsibilities. It is evading them and getting out of the housing business. I look upon this bill not as a housing bill at all but as a financial bill, and one which guarantees the lenders against any loss. The bill writes into law an insurance protection, but for whom? For the people who are putting money into it. And at whose expense? At the expense of the people who will live in and perhaps pay for the houses, namely the borrowers. There is not much risk in the furnishing of this so-called risk capital. In the event of a real depression or even a recession the lenders will not have to suffer the economic consequences. The government will then be left to wrestle with that problem, the idea being I suppose that the insurance which is to be written into the amortization scheme in the first place will cover the necessary losses.

I cannot see any reason for that insurance scheme unless it is based on the fear that there will be a depression. I suggest that if a depression does come the government may find itself in some difficulty with a great many defaults arising out of the fact that the people who originally bought the houses will not be able to pay for them. That is perhaps preaching blue ruin of which we are often accused so I shall not indulge in it any further.

Many of the people who are not able to build houses under the present act will not be able to build them under the new act. They have been considered poor risks. This may have been mentioned before but I know that many of these people who have been considered poor risks are at the present moment paying much more money on rent per month than they would have to pay under the proposed scheme. I simply cannot understand how these people of low income can be expected to accumulate sufficient money for a down payment when their rents are so high and take such a large percentage of their weekly or monthly income. Along with that steady and heavy drain they have to buy food and clothing and this takes up the remainder of their income.

The situation of course is being aggravated by what the Prime Minister (Mr. St. Laurent) was pleased to call "this temporary unemployment". I hope this unemployment is

temporary. I do not like to see soup kitchens being established in Canada again. It is a long time now since we heard of anything like that. I see that such action was taken in the city of Calgary the other day and I am sure the unemployment situation there is certainly not any worse than in many other cities in Canada.

I think it was the hon. member for Bow River (Mr. Johnston) who quoted what I thought was a rather startling assertion by the minister. I was surprised the minister made it, but since he did I can only assume it is correct.

The hon. member for Bow River (Mr. Johnston) quoted the minister as having said that two-thirds of the people of our country cannot afford either to buy or to rent a home. What a commentary that is upon this country of ours! What a commentary that is upon the economic system under which we live! What a commentary it is on a country which is holding its head up—and rightly so—and is asserting itself to be one of the wealthiest and most prosperous countries in the world, a country which has an immense supply of natural resources and materials—including those materials, may I say, which are needed for the building of homes—such as minerals, timber and the rest. Yet we are bound to admit, as does this bill, that we have a proportion of our people in slums.

I shall, of course, be told that a proportion of our people will always be in slums; I shall be told that the poor are ever with us. But, with my friend the hon. member for Winnipeg South Centre (Mr. Churchill), I suggest that we can get away from slums by giving to the people who live in slums a decent environment in which to grow up. Then they will not be slum dwellers. I think he certainly made a good point when he made that remark. I know the effect of environment on young people. I know the effect on them of living in crowded tenements. We must get away from it, and I hope that we shall. As I said, I think the government should be prepared to stay in housing until its responsibilities to the people of this country have been fulfilled.

I was in England two or three months ago and saw some of what are there called subsidized rental housing. I would be delighted to live in one of the houses that I happened to see. In this particular village, which was a nice village on the south coast of England, I saw houses that were built in duplex form. Each duplex was built in its own grounds, with plenty of space for a garden and plenty of room in which children could play. Those houses were modern, new, clean and well painted. I inspected them as best I knew how and found them to be well built. To the people who were going to occupy them the day after I was there they were available at 18 shillings a week.

I am well aware that the comparison is not a fair one when one considers that the wages over there are a good deal lower than they are here, and that the material is a good deal cheaper. But even at the rate of exchange, if you will translate 18 shillings a week into its equivalent in our money, and if you will take the shilling to have a value of 15 cents—I think that is approximately correct—one can do the arithmetic and find out what it comes to. I made it to be $2.70 a week or, allowing 31 days to the month, $12.15 a month. I would be proud at the moment if I lived in one of those homes. I do not think the people who go in there—even people from what are now called slum dwellings—are going to abuse those places. I think they are going to take care of them and take a pride in them. I think they are going to start gardens, build playhouses for their children and that sort of thing. They are living in a beautiful environment of quite expensive homes, and I think they are on their way to their economic salvation so far as a home is concerned.

Mr. Speaker, I think I have covered most of the points that I should like to make at this time.

Mr. Ambrose Holowach (Edmonton East): Mr. Speaker, I should like to take part in this debate on the new housing legislation which was recently introduced by the Minister of Public Works (Mr. Winters). I do so for several reasons. This legislation is an attempt to make provision for what is commonly admitted to be perhaps the most glaring and serious need of the people of this country. This problem has contributed, perhaps more than any other, to many of the negative repercussions of this cocktail age in which you and I live. For this reason I believe this measure is one of the most important ones which have come before this session of parliament and certainly deserves the widest of discussion. Anything I may say is said in good faith and is certainly not meant to detract in any way from the efforts of the minister, incomplete as they are, to alleviate the situation.

I have the honour of representing in this house a constituency in a city which, on a per capita basis, has one of the highest figures for construction of any city on the North American continent. When over 50 per cent of the construction permits issued in that city were for the purpose of building homes, it stands to reason that this matter is one

which is of great concern to me because it affects the well-being of the people I represent. In order that it may serve as a background to anything further which I may have to say on this matter, I should like to read what I consider to be an extremely interesting report that appeared in the *Financial Times* of January 22, 1954. It is entitled, "Growth of Edmonton Shows Top Building Rate Per Capita" and reads in part as follows:

> At the beginning of its fiftieth anniversary year, Edmonton stands in a class by itself among the larger cities of North America . . .
>
> Computed on a per capita basis, construction in Edmonton last year was much greater than in any other city on the continent . . .
>
> Though many millions of dollars are being spent on industrial construction in Edmonton, it is encouraging to the city's increasing population that nearly half of the total building permits issued during 1953 were for housing construction.
>
> All signs point to another record year in this direction in 1954. This is essential if the city is to keep pace with its rapid growth.
>
> Edmonton is now estimated to have a population of 193,000. At its present rate of growth of 8 per cent, this figure will be very close to 200,000 by early summer. Moreover, if this rate of gain is maintained, the city will reach 300,000 by 1959.

This matter of housing legislation, Mr. Speaker, involves more than just bricks and the materials going into the construction of a home. It involves shelter in the full meaning of that word. We know that homes are crucial for the well-being of any nation. Homes means greater population. Homes mean a happy people; and a happy people means an unconquerable nation. The unhappiness, delinquency and crime which this housing situation have brought about in our country cannot be measured. In the press and in past parliaments there has been a great deal of discussion of the necessity for encouraging cultural growth in our great country. I maintain there is a definite community of interest between family life—the home—and further cultural growth. It seems strange to me, as a new member, that at a time such as this we should be spending millions for guns, bombs and tanks and yet permit the deplorable situation in housing to exist. I should like to say that I have no quarrel with defence. In the face of what we see in the world today we have no alternative. But it does seem strange that we are able to solve the problem of defence and are not able to apply the same maximum effort in matters which have to do with internal conditions. While we have been vigilant on the military front, we have at the same time been absolutely negligent with respect to something that is just as important, the internal front.

[Mr. Holowach.]

The history of nations in recent years shows us quite vividly that countries with tremendous defence set-ups have fallen to negative moral forces because their governments had failed to pay any attention to the crippling and demoralizing economic and social injustices in their lands. I think this should be remembered when this legislation goes before the banking and commerce committee. I think that the key to an understanding of the problem facing us can be found by comparison. During the depression years we needed homes badly. We had the skills and materials and unemployed men who were ready to do the job, but one thing was basically lacking. The people did not have the money. Today we have an equivalent situation. We need homes desperately. We have the skills and materials and better techniques. We have unemployment, and yet people today lack the basic purchasing power necessary to acquire the things that they need.

In order to verify what I have just stated I should like to quote a most revealing bit of information from the Ottawa *Journal* of January 19. The article is headed, "Credit Buying Hit New High September" and reads in part as follows:

> Another boost in instalment-plan buying pushed Canada's consumer credit bill to a new high of $1,772 million on September 30 . . . The major share of the increase was in finance company dealings. Their outstanding credit rose to $544 million on September 30 from $516 million on June 30. Instalment credit by retail dealers increased by $5 million to $248 million from $243 million.

It seems to me that is a very good indication that, so far as the people are concerned, what is most lacking today is the purchasing power to take advantage of the scheme that the government has presented. For the past few days we have listened to a dissection of this legislation, and what does the autopsy show? I think it would be quite right to say that it is the same old body dressed up in the same old suit. The only difference is that there are a few patches which I do not think will give any amount of comfort or aid in securing the basic needs of the people today with respect to housing legislation.

It is admitted that in the bill there are several new features which are commendable. The banks will be induced and encouraged to enter the mortgage business, and payments will be spread over a longer period. But there seems to be no provision or inducement to reduce interest rates and construction costs. There is no provision to protect the equity of a defaulter, and I do not quite understand how anyone earning less than $3,000 can take advantage of the plan now presented. I believe that the Canada Year Book indicates

that for the year 1950 three-quarters of a million people in Canada fell within that income tax bracket. I think we should bear this in mind when we are considering this legislation.

During the past few days most of the criticism of the bill has come from members of the opposition, and I should like to hear some of the government members express their views with respect to it. As grown-up men and women we should realize that patting one another on the back and following party lines in matters of this kind will not bring about betterment. I know of no progressive legislation that has not been brought about by a united protest. This matter is of the greatest importance to the Canadian people. As a matter of fact, I think it has a most serious implication. It places parliament on trial. Our ability to solve the housing problem in Canada will strengthen the faith of the people of Canada in the ability of parliament to get down to business and tackle a serious problem. It will strengthen the faith of our people in democracy and set a shining example for those who condemn it. I think our failure to do so will strengthen the hand and the voice of those who say that democracy cannot bring about improvement and must be replaced by some form of "ism."

Various suggestions have been made. In the first place, I believe that the interest rate is far too high. What is wrong with lowering the interest rate to 3½ per cent for those who earn less than $3,000 a year? At the present time banking institutions pay 2 per cent on depositors' money. It seems to me that what is sauce for the goose should certainly be sauce for the gander. Nobody has any criticism of the important part our banking institutions play. They have a most important function to perform, but I think that they, as well as every other agency, should realize that this is the zero hour from the point of view of making sacrifices and that their sacrifice so far as profits are concerned should be just as great as the sacrifice of people who now have to suffer the discomforts of not having a home.

As a new member I have watched and studied with a great deal of interest the activities of the various cabinet ministers and have listened to them with great interest when they have been in action on the floor of the house. From where I sit the Minister of Public Works (Mr. Winters) strikes me as being a very capable, sincere young man. I do not know too much about his political past, but I would say that, having been in politics but a short while, he certainly has not become hardened or indifferent to the needs of the people. I submit to him that when this matter comes before the banking and commerce committee he should use his good offices to see that the interest rate is lowered, that some inducement in the form of lower income tax is offered to people who have to carry the extra burden of paying for a home, and that some attempt is made to lower the terrifically high construction costs.

I think this could be done by the declaration of a definite building target for 1954. It would certainly contribute to stabilizing employment. It would enable the various construction firms to make definite plans for the future and would eliminate the valley of ups and downs so far as employment is concerned. Here is an opportunity for the minister to really take a bold and broad step forward in meeting the needs of the people. It is an opportunity for him to be marked in Canadian history as one who has done much.

One thing further I would say and it has not been said before in the debate. As a matter of fact certain inferences have been drawn which are not true so far as the Canadian people are concerned. One of their most prominent characteristics, it seems to me, is a spirit of independence and a willingness to assume responsibility. They do not seek any form of handout, because they know there is no such animal. In any event they would have to pay the price for it. But they do insist that we, as their representatives, understand the financial situation confronting them and that we bear in mind the fact that this legislation, as in respect of all other legislation dealing with the well-being of the people, must be geared to assist those who are not now in a position to afford homes, rather than make it easier for those who are. Unless this is done, then it would seem that the hon. member for Macleod (Mr. Hansell) was right on Friday night when he said that this legislation is only another step to perpetuate this government's moth-eaten financial policy.

In conclusion, I would like to see justice and fair play for the Canadian people, and an effort to make available, particularly to the low income groups, the homes which are so sorely needed. While this legislation in its present form may be expedient from a political standpoint, it is certainly not right in principle and does not answer the demand the people are making upon parliament today.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, speaking in this debate on January 22, the hon. member for Okanagan Boundary (Mr. Jones) said:

—these people are not anxious to live in these shacks, they cannot meet the requirements of this

bill or any government legislation that has ever existed so far as the securing of a home is concerned.

In my opinion it is not any defect in the housing act that causes people to live in shacks, but rather the excessive cost of housing in our time. The National Housing Act cannot be blamed for the fact that housing is as costly as it is today.

Speaking in the debate on January 21 the minister said:

> The period of amortization for home ownership loans, including co-operative housing associations and rural housing, will be 25 years as a minimum and 30 years as a maximum. However, the borrower will be able to arrange for a shorter term if he so indicates in writing.

Earlier he stated:

> It will be recalled that at the present time the maximum loan is $10,000 for home ownership. In setting the limit of loan one consideration will be that the present cost of residential construction is about 25 per cent higher than it was when the $10,000 was set.

If my memory serves me correctly it was in 1950 or 1951 that the $10,000 figure was set, so this means an increase of 25 per cent in the cost of housing since that time. When we speak of the high cost of living at this particular period and compare it with the pre-war period we say that our dollar is worth 56 cents. Others say that it is worth less than 50 cents. For the purposes of my argument, however, I shall say that it has 50 per cent of its 1939 value, or that it is worth 50 cents.

An automobile that cost about $1,300 in 1939 will now sell for about $2,600, or an increase of 100 per cent. I have actual figures for the cost of houses in 1939, but for purposes of simplicity I shall use round figures and say that a house which then cost $2,500 would cost between $8,000 and $9,000 today. This is almost four times the cost of the pre-war article.

When purchasing an automobile today everyone seeks a certain amount of individuality, but in the purchase of homes people are going even farther. It would seem that every home must have its own individual design to suit the taste of the purchaser. We will either have to forget this demand for individuality or be content to pay these excessive costs. Whether one buys a low priced automobile or one in the $5,000 or $6,000 class he will find that, essentially, they are the same in outline, and that the differences are chiefly in the matter of colour. One's individuality is given scope in his choice of paint, or in the chrome used. I believe that in a home one's individuality could be shown in the upkeep of the home or in the condition in which the yard is kept. It is not necessary that every house be different in appearance.

If there is a continuation of this demand for individuality it will be impossible to use the prefabricated article, which is so desirable at the moment. Great quantities of lumber are available in British Columbia which would be quite suitable for prefabricated homes. Insulation when applied to frame houses makes them acceptable, and I think it is within reason to believe that prefabricated homes can be built at costs lower than those quoted today.

I believe it is essential that the government take the lead in an effort to find ways and means to have the builders and the unions sit down with government officials to work out some policy whereby homes may be provided at prices within the ability of average wage earners to pay. If necessary a royal commission could be set up to go into this serious matter and ascertain why the cost of housing has got so far out of line when compared with the cost of other commodities.

If a man earning $2,500 to $3,000 attempts to purchase a home with a capital cost of $10,000 to $12,000, and undertakes to pay the normal interest charges for adequate financing, he will be in slavery for well over a third of his natural working life. That is a very unhealthy situation, and I believe something should be done. It is not only necessary to make provision for more capital, because capital is merely a measure of the goods themselves, and more capital does not mean that we are going to have more houses until the prices of houses are brought more nearly in line with the salary of the average wage earner today.

While we are doing an excellent job, I am sure there is not going to be any appreciable difference in the number of houses that will be built within the next year. I predict that owing to the greater amount, as we hope, of capital becoming available there will be throughout the year a greater increase in the cost of these houses.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, it requires a certain amount of hardihood to enter a debate on the third day, even a debate of the importance of the one we are engaged in now. I think I should not have that hardihood except that I believe the bill before us invites us to confer powers so broad, so far-reaching, and above all so permanent on this government institution that I still cling to the hope that it may be possible to achieve the end desired, and

which of course is eminently desired by us all, without the necessity of having recourse to the tremendous powers which are given. These powers incidentally seem to relegate private enterprise, which is nailed to the mast, so to speak, of our party, and which I think the government would say is also nailed to their mast, to the position of a mere machine which is going to be used by this government organization. There will be precious little freedom left in the house-building and the house-investing industry, so far as I can see, if this bill passes unchanged.

Let me make one thing perfectly clear. There is nobody who can possibly be anything but favourable to the declared purpose of the bill, which I will read:

An act to promote the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions.

Everybody has to approve of that, but of course it is possible to do the right thing in the wrong way, and I thoroughly believe that in some respects this is the wrong way.

I am not going to get involved in many details which have been dealt with admirably by my colleagues in this house, but there are certain general points that I do wish to discuss. The first thing that strikes me about this is that the government gave themselves every chance, it seems to me, to go the wrong way; because so far as any of us know this plan was worked out in splendid isolation in one of the government's ivory towers. Those people who have so fully and effectively co-operated with the government in making house loans for a good many years—I refer to the lending institutions—were not consulted. The institutions who it is hoped are going to take up the load, or a good part of the load from now on, namely the banks, were not consulted.

Now, as I reflect, I wonder whether perhaps the only people who may have been consulted at all are people outside the country. This plan, I take it, is modelled very largely on the position in the United States, and it may be, though we do not know, that there was consultation there. There is no point in my asking at length why there has been no discussion. There are of course governments who do not believe in discussion. We think of the totalitarian governments, and we know that to expect them to discuss is just silly. They do not discuss things, but it is surprising that it should happen here.

I have asked myself why it has happened. I have reminded myself that the Minister of Trade and Commerce (Mr. Howe), when he has a public enterprise under his control, thinks of it as very much his own enterprise. Whether the Minister of Public Works (Mr. Winters), who is still early in his official career, has already caught up with the Minister of Trade and Commerce and has come to regard these institutions as his own, I do not know. He does not convey that impression, of course. He tries to make us feel that our opinion is of value, that we are being consulted, but there are the facts, such as they are.

Of course we all do admit that there are cases where obviously governments cannot consult. We do not expect the Minister of Finance (Mr. Abbott) to come and consult with us at the last moment as to just what changes he is going to make in the income tax, and incidentally I doubt whether the minister is going to consult very much with this house in future in any event, because of a certain unfortunate experience that he did have.

Mr. Winters: I wonder whether the hon. member is aware of the great many consultations that have taken place between Central Mortgage and Housing Corporation and the various institutions which will operate under this legislation, and between the Minister of Finance and those same institutions, and between me and those same institutions.

Mr. Macdonnell: I know that numerous consultations have been held since last October. I realize that; nevertheless, when the Prime Minister (Mr. St. Laurent) made his statement last October the chief decisions had been made. I do realize that there have been discussions since. Indeed I was going on to say that it seemed to me the attitude of the government up to last October was somewhat like that of a patient who might go to his doctor and say to him, "Now, doctor, I am not well, and I want you to prescribe for me A, B and C.". The doctor, if he were a man of proper standing in his profession, would refuse to do that. He would say, "No, I will prescribe for you what I think I should prescribe." I imagine that since October last there has been, as the minister has very truly said, a good deal of discussion, and possibly it has even been necessary to pay more attention to the opinions of those who were not consulted before.

Mr. Winters: Very valued opinions, too.

Mr. Macdonnell: Oh, yes, I am sure they were, but as I say it was a delay-action consultation.

Now, there is another thing that handicaps us a bit at the moment, and I hope it will be set right before we get too far into the

committee. It is that this bill has another unfortunate—what shall I say—feature that so many bills have. That is, just as you are getting to something very important you find, "The governor in council will make regulations to cover this." The regulations of course are not public. On the other hand they are not entirely secret, either. They sort of leak out from time to time. But I do hope that when we come to the committee we shall have the regulations and we shall not have to approve the bill without the regulations before us. In other words, we shall not have to go to the play with Hamlet left out.

Now a word as to the public reception of the bill. I would never deny that the government publicity is always good. I think there was the usual built-up enthusiasm which we are so accustomed to seeing, at the very first announcement; but as people had time to look at it a rather different attitude sprang up. People felt that they would be wise to "stop, look and listen." I refer very briefly to some words from the Regina *Leader-Post* of December 22, which bear that out. They are as follows:

> Glib references to a ten per cent down payment are likely to conjure up images that anyone who wants and needs a house will be able to buy one by going through somewhat the same procedure as plunking down $25 on a $250 refrigerator which in a matter of hours is ensconced in the family kitchen.
>
> Reginans who have been dreaming of the yet unattainable cosy home might as well face the fact now, as they inevitably may have to do later, that no such alluring prospect may be in store for them.

Just a word as to the history of this thing. As it has been covered before I shall not do more than mention it. I think it was in 1935 that the first legislation was passed, just before the change of government. That was followed by legislation put through by Mr. Dunning, and under the National Housing Act there has been a successful partnership which worked pretty well on the basis of an 80 per cent loan, 25 per cent participation by the government and 75 per cent by the lending institutions.

The figures for last year are very important. The results achieved in 11 months of 1953 showed $239 million as the amount put out in joint loans, and I believe $51 million by Central Mortgage alone. On the basis of $239 million for 11 months I take it to work out to something in the nature of $260 million for the year.

As I said a moment ago, this was changed without any warning. Notice was given by the Prime Minister (Mr. St. Laurent) on October 1 that this was going to be changed. It was felt that enough money was not likely to be forthcoming this year; therefore the change with which we are familiar was proposed.

As I have said, there are many points of criticism which have been carefully made and which I have no desire to repeat. But there is one thing that I do desire to repeat, because I believe it is so important. I think it is unfortunate, and it seems to me that it perhaps is a necessary characteristic of bureaucracy, but it just shows how much one loses when one is forced away from ordinary human dealings between man and man and gets into the hands of a bureaucracy. I am not saying that with disrespect, as I have great respect for the president of Central Mortgage, I am only saying that there are certain things a huge bureaucracy cannot do, and I refer to them in this manner.

We are bringing in borrowers, purchasers of houses who are going to pay for them on the instalment plan. As the president of the Royal Bank of Canada said the other day, we have become a pretty high-cost economy. I will not dwell on the fact, which I have mentioned before and may mention again, that that is not at all unrelated to the easy money policies which were followed by this government and which were nice and easy for those who get the easy money but which become more and more difficult for those who do not share in the easy money.

That helped to raise prices. We all know that the rise in building costs was very much above the average. So these prices, to which I shall not refer at length, have gone up. I had hoped incidentally that suggestions which have been made as to the possibility of much lower prices even though not on exactly the same standards of construction, might be seriously considered by the minister.

I come back now to these borrowers. If they are just human beings like the rest of us the chances are they will have some other instalment payments to make beyond the payments on their houses. They may very well be making payments on a car, on a radio or what you will. What I am coming to is this. In all probability a good many of these people will be under strain in making their payments.

When an individual borrows from a good lender—I shall try to explain in a moment what I think a good lender is, and on this subject I have some experience—he knows that the last thing in the world that lender wants to do is to take his property. That is not from any high or altruistic motives, though I would say that there have been far more good relations between borrower and

lender throughout this country than sometimes people like to admit. However, I just put it on the ground of good business. No lender wants to take over the property of a private borrower who has lived up to the character which the lender believed he had and who is doing his best to work out his loan.

Let us see what is going to happen here, because here is where bureaucracy comes in. It has been pointed out, and I do not intend to refer to it at great length, that there is an escape clause; but the genius of this act is that the lender, who is being guaranteed, has to be right on the job and not leave any opening so it can be said that he was slack in pressing for his money. If that is what we are led to understand from, shall I say, unofficial reports of the regulations, he may easily get into difficulty. So I just want to make this point—

Mr. Pickersgill: As I understand the hon. member, he referred to regulations leaking out on one occasion, and he now refers to unofficial reports of regulations. Does the hon. gentleman not know that by a law enacted by this parliament all regulations having the force of law have to be published and have to be tabled in this house?

Mr. Macdonnell: It is a question of timing. I do not think at the present time the regulations are supposed to be available to any except those who have been called into consultation.

Mr. Pickersgill: There cannot be any regulations until—

Mr. Fulton: You have to make them first.

Mr. Macdonnell: It is quite nice to have someone try to keep us on a high intellectual level but I am afraid the minister will always be disappointed in me because I am only a reformed lawyer and I shall never be able to attain the level which I can see he is going to try to set for us.

Mr. Fleming: And for his colleagues.

Mr. Macdonnell: I accept whatever proper word I should have used about regulations. If I am wrong again the minister no doubt will correct me again. I just want to stress the great importance in my mind of what I understand is in these particular regulations.

An hon. Member: No.

Mr. Macdonnell: What I understand to be in them—of course the sections of the act are pretty stiff too—is that the lender, unless there are unusual circumstances, will have to give practically no leeway. He will have to go ahead and enforce his security. I point out that this is one of the difficulties with a huge bureaucracy. You are faced with the dilemma of it either being ridden with politics, which none of us want but which could happen, or it has to act in a rigid and unyielding manner. I do not think we shall be able to blame them. I think Central Mortgage will have duties laid on them which will compel them to do this. Therefore I am making the point that to me one of the most unfortunate things about this is that the lender will not be able to put off the foreclosure even for years if he believes the borrower is doing his best and that he is not only honourable but capable.

I have said that there was a fruitful partnership between the lending institutions and Central Mortgage, but that the form in which it worked it is being done away with and that Central Mortgage is proposing to withdraw from the 25-75 relationship. We are all aware of how that is to be taken care of. Central Mortgage will still be able to make loans itself, but as regards the others they will be dealt with by insurance policies. The money is supposed to come from private institutions and is to be guaranteed. How much money will be needed is anyone's guess. I gave the figures a moment ago to indicate that last year the total amounts put out jointly by the lending institutions and Central Mortgage were somewhere in the neighbourhood of $260 million. Central Mortgage will not now supply its 25 per cent of that, and it is expected that the lending institutions will not be able to supply quite so much. I suppose a fair guess might be that there may be something like $100 million or more needed. I put that forward purely as a rough guess.

A word about the availability of funds. The banks of course have declared their readiness to co-operate and on this point there has been some interesting comments, some by the Bank of Canada and some at the annual meetings of the banks themselves, indicating their approach. Bank loans are very high, and they have increased by some $600 million their ordinary commercial loans in the last year. In a manner of speaking it has been customary to say that the banks are "fully loaned" but I think it is a dangerous phrase to use, because after all, in spite of the fact that a year ago the banks were pretty well loaned up, last year loans were increased by the very substantial amount I have mentioned. The question then arises as to the banks' reserves and I will refer to that in a moment.

On the question of liquidity—a word I think has almost fallen out of use in our vocabulary, at least as far as money matters are concerned, and which I think we should

recognize as of great importance—it is interesting to point out that within the last few days there appeared in the press a reference to the reserves of the chartered banks. That reference contains the following, and I am quoting from the Montreal *Gazette* of January 22, 1954:

A broad change in the mechanics of credit control by the Bank of Canada is under study by the government and may be translated into legislation.

A proposal, which follows upon the decision of the government to permit banks to lend on new residential construction is that the cash ratio chartered banks must maintain against deposit liabilities shall be variable and shall be altered by the Bank of Canada according to the position of the economy.

The statutory position now, substantially unchanged since the Bank of Canada came into existence in 1935, is that the chartered banks must maintain with the Bank of Canada not less than 5 per cent of their deposit liabilities. In practice this has been generally conceded to be unrealistic and the ratio has been kept in the neighbourhood of 10 per cent.

What is likely to happen, if present plans mature, is that the Bank of Canada will from time to time set a minimum ratio that may vary from 8 per cent to 12 per cent according to circumstances.

As you will observe, Mr. Speaker, that is really following what has actually been the practice. In other words the banks have not been content to maintain the legal minimum of 5 per cent, but practice has fixed it at about 10 per cent. Indeed, 10 per cent is used as almost a legislative figure. That 10 per cent is the amount by which the banks may increase credit facilities as they increase cash. In other words, they apply the 10 per cent figure and not the 5 per cent figure.

I want to draw attention to a recent comment by a banker, because on the one hand I think we can take it for granted that the banks will co-operate to the best of their ability, and on the other hand I think we should bear in mind that it is not just a question of looking at the amount of deposits in a bank and saying there is a lot of money there and they can lend hundreds and hundreds of millions of dollars. I am reading from a report in the Toronto *Globe and Mail* dated January 21, 1954, part of which is the *Globe's* own comment and part of which contains the words of Mr. Vanstone, president of the Bank of Toronto. The first part is the *Globe's* summary of what Mr. Vanstone said, and when I come to Mr. Vanstone's own words I will indicate them:

Mr. Vanstone agrees that it is right and proper for the maximum number of Canadians to live in their own houses. To do that construction and financing costs must remain within their capacity to pay. If public funds are to be considered essential to add to private funds to aid in financing house buying, dwelling units should be of the most economical type of construction consistent with durability, sanitation and propriety. Hitherto life insurance, mortgage and trust companies and private investors have been the traditional sources of mortgage funds. House mortgages were made a lawful investment for trust funds and practically everything had been done to put them in a preferred position to attract funds for which immediate liquidity was not necessary.

The need for liquidity had dominated banking since before confederation.

Now I come to Mr. Vanstone's own words:

Depositors in Canada's chartered banks consider that they are placing their money on demand.

It is true that savings accounts have legally a 10 day delay, but no bank would ever dream of invoking that delay. Mr. Vanstone continues:

Only by in turn placing their depositors' money in constantly maturing, short-term loans to business or in sound marketable public securities, can the banks be certain of not disappointing them.

That is the depositors.

Inasmuch as there is a hard core of savings deposits which in effect form personal reserves likely to be called for only in personal emergency, it may be that the banks can without undue risk depart from total short-term liquidity to place some small portion of these funds in well-secured mortgages and thereby be in a position to perform a public service by filling such gaps in the market for housing capital as existing financial agencies may not quite cover. Obviously the extent to which this can be done will depend on the degree of liquidity that the government is willing to make available if and when necessary, and it is only to a moderate extent that it would be prudent to tie up the funds of Canadian depositors in long-term fixed investments.

The banks must keep themselves in a position to take care of demands from depositors and fully look after the requirements of trade and commerce.

Now, in the light of this let us look at the statement made by the Prime Minister (Mr. St. Laurent) which started this discussion last October. I read briefly from his speech as reported in the Ottawa *Journal* of October 1, 1953:

The government does not believe that it would be sound under present conditions to fill the gap—

That is the gap caused by the expected inability of the lending institutions to provide all the money.

—by direct government lending.

If that were done the government would become the direct mortgagee or landlord of a large number of Canadian families.

The Prime Minister continued:

The government feels that the proper solution is to enlarge and broaden the supply of mortgage money by making mortgages more attractive and a more liquid form of investment than they have been up to now.

I wish to comment briefly on the Prime Minister's statement. He does not think it would be sound under present conditions "to fill the gap by direct government lending". That does not seem to me to be a very realistic statement because the government is actually the person responsible, though in

the background. When you consider that the government is behind Central Mortgage, and that Central Mortgage is guaranteeing the loans, it seems to me that it is a distinction very largely without a difference.

The Prime Minister then went on to say that it is not the government's wish to "become the direct mortgagee or landlord of a large number of Canadian families". He considers it very undesirable, and so do I. Nevertheless, if in fact Central Mortgage is going to assume that position I do not see that it is any great comfort to us. You will observe, Mr. Speaker, that the Prime Minister uses the word "landlord" as well as "mortgagee", by which I assume he means that by reason of defaults there is a possibility of properties having to be taken over.

I want to deal now briefly with the question of liquidity. Liquidity, as I said a moment ago, has nothing to do with the temperance act. It has to do with the availability of money on depositors' demand. Commenting on the Prime Minister's statement about mortgages being made more liquid, Saturday's edition of the Montreal *Gazette* has the following to say:

> Graham Towers, governor of the Bank of Canada, said the bank probably will be allowed loans up to 100 per cent of the value of mortgages, but in practice this is not done. Their borrowing from the central bank was only for moderately small amounts and for short periods.

The period is indeed short enough, because under the Bank of Canada Act, section 18, loans are supposed to be for six months. That would not open the door very wide though, as a matter of fact, I suppose in actual practice if the banks went to the Bank of Canada for additional money they would probably use as their first line of defence not their mortgages but government of Canada bonds and other securities which they have.

In passing I want to point out that I think this whole plan is based largely on the practice followed by United States banks. I further point out that it was done there in the midst of the depression. It was a depression measure. It seems to me to be unfortunate if we have to follow somewhat slavishly, in a time which is certainly not a time of depression, what the Americans did at a time of depression.

I want to digress just for a moment further on the question of the amount available. That is a matter that is going to be undoubtedly in the discretion of the Bank of Canada. I think that is clear. It will depend upon how much further cash they are prepared to provide the chartered banks so the chartered banks may turn around and make these mortgage loans. As I said, it is interesting that at the very moment this matter comes up, there is a suggestion of increasing the percentage of reserves required.

May I spend just a moment on the question of liquidity. The banks take deposits, and of course their only means of earning is to make those deposits work. They lend those deposits out, and they have to judge the likely requirements or the likely demands of depositors. Of course it is fatal to any bank if they are ever caught without enough money to satisfy the demands of depositors. It is important to distinguish between security and liquidity. In the crash in the United States in 1932 there were banks which had plenty of assets with which to pay all the depositors but which could not be realized on demand. It is no good to tell a depositor who wants his money today that you have a loan coming in next week, next month or next year. If you cannot pay upon demand, your doors close. There were many banks at that time whose doors closed, though eventually they were able to pay off in full.

It will be obvious to hon. members that, as you might say, the three lines of defence a bank has are, first, its cash reserves; second, government bonds and other quickly realizable securities; and third, commercial paper and that kind of thing which represents money lent on short terms and which is being repaid day by day.

At the outset I complained about this bill which erects this huge bureaucracy and which leaves so little to be done by private enterprise. I want to quote briefly from words used by the hon. member for Eglinton (Mr. Fleming) which I think are worth repeating. Speaking of the powers of the bill, as reported at page 1333 of *Hansard* he said:

> The powers are so vast that those of us who do not trust power in the hands of the government will not feel that powers of this nature, powers which are so wide, so sweeping and so inclusive are needed.

There is one point that I should like to make here and it is this. We have had many cases where there have been sweeping emergency powers, with regard to foreign exchange control and other matters, where we have differed—where there have been different feelings—as to how long they should last. But I think I am correct in saying that in those cases there was always or almost always agreement among us that the power in question was for an emergency, for a special purpose, and that the time would come when it would disappear. With respect to this bill it seems to me that the situation is exactly the opposite. There is no reason to believe that it will disappear. Quite the contrary; I think it

will become more and more deeply embedded, and that it will exercise more and more authority in this part of the lending industry which, after all, is a large area of our whole economy. As time goes on, I think the approved lending institutions may find that it is almost a waste of time for them to keep up the organizations which they have at the present time and which have been so active, as the minister knows, in arriving at sound valuations.

The best information I can get in connection with the similar practice in the United States is that the approved lending institutions there still take the responsibility of making the valuations, though they may be checked up—as indeed our own valuations have been checked up—to some extent by the public body.

But as the situation stands, as the minister well knows, every approved lending institution must await the nod from Central Mortgage and Housing Corporation before it acts. If it is a building loan, there must be a detailed, meticulous report and approval by Central Mortgage; and let anyone beware of disregarding the slightest wish of Central Mortgage because, as we all know, guarantees are tricky things and his guarantee might be called in question.

As I said a moment ago, the only place where initiative is still left to the lender is in the dirty job of foreclosing loans. He is not only left with that job but he is forced to do it, even though it may be entirely against his own better judgment.

I said at the outset that nobody can read the legend on the outside of this bill without approving it, but I wish to say that I still hope that in committee it may not be found necessary to go nearly the length of these wide, inclusive, meticulous and permanent powers. I want to say here that to me, despite everything that may have been intended, this is a great step forward into state socialism. What we are having here is the part played by private enterprise—which up to the present has been great—really being played down. Private enterprise is going to be just the agent of this new institution.

I wish to make a few comments on that matter, because to me it is striking at the very root of what I believe to be the motive power of our economic life. Most of us in this chamber differ from the socialists on that matter. I would think the socialists would find this legislation extremely palatable. If they do not, I shall have lost confidence in their judgment. After all, it is going along the line they themselves so often advocate.

[Mr. Macdonnell.]

I want to draw attention to the fact that in England there has obviously been a revulsion of feeling. I drew this to the attention of the house before. At the Margate convention again and again measures to further public enterprise were voted down. I refer to the trade union congress at Margate.

I often find that the socialists seem to regard wealth as if it were a fixed amount and it were only a question of dividing it up.

I have been greatly interested to find the extent to which leading socialists apparently have turned their faces in a different direction. I have here a book the title of which will not immediately commend itself to hon. gentlemen opposite because it is called "The Conservative Mind". But I should like to make two comments with regard to that book. One is that the "c" is a small "c", and the other is that it was strongly recommended to me by one of the best-known gentlemen who sit opposite in this house. In it there are two or three short quotations I should like to read because they indicate such a great change of attitude. One is this:

> Finding that the majority of men seem to lack motive for performing their duties in society, now that the ordinary rewards for ordinary integrity have been abolished or diminished, the socialists are dismayed; they begin to wonder whether their theory of human nature can be at fault. Professor G. D. H. Cole says that "socialism is an unworkable system without a new social drive such as the communists have managed to give it" . . .

It is a curious thing that here is one of the leading socialists in Britain who practically says it is no good unless they can import something of the communist attitude. On the other hand you get a man like Gordon Walker, who was a member of the last cabinet, and he is all in favour of more and more regimentation. He says:

> Since the state is the main organ of authority in society, one of the natural ends of the new state will be to secure the increased quantum of authority necessary for the increased output of social energy . . . In large part . . . it will achieve this end by an extension of its positive functions: there will not be a village, a street or a house into which the new state does not enter, exacting respect for regulations, requiring information and rational action.

Mr. Gillis: What is the name of the book?

Mr. Macdonnell: The name of the book is "The Conservative Mind".

Mr. Gillis: Who is the author of the book?

Mr. Macdonnell: Let us imagine that by some magic we came back here tomorrow and found that there was a C.C.F. government in power.

Mr. Fleming: That would be black magic.

Mr. Macdonnell: Let us imagine that the hon. member for Winnipeg North Centre (Mr. Knowles) was minister of trade and commerce. I want to imagine him bringing in some of the measures that he would like to bring in and with which we are so familiar. I want to imagine what he would say if this bill had become law. Would he not say—

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

Mr. Macdonnell: As long as it does not use up my time.

Mr. Gillis: He gave us the name of the book, "The Conservative Mind", and it certainly is, but would he mind giving us the name of the author?

Mr. MacDougall: Jim Macdonnell.

Mr. Macdonnell: The author's name is Russell Kirk. I understand he is quite a respectable person in the United States. With this state I have asked you to imagine, the C.C.F. being in power, I think they could say to us: "You have given these overwhelming powers, the kind of powers we socialists like, in the house building industry. Why do you stop there? If houses are socially desirable so are a lot of other things. Refrigerators are socially desirable. Stoves are socially desirable. Motor cars are socially desirable." In the situation I have asked you to imagine I suggest that the hon. member for Winnipeg North Centre would think that he was going along perfectly within the four corners of this measure we have before us now.

It may amuse hon. members, but it has been suggested here that if we are going to guarantee those who lend money we ought to guarantee those who borrow money. That has been suggested. I thought first of all that it was a joke, but apparently it was not a joke.

I think, Mr. Speaker, that I am coming very near to the end of my time. I wish that somehow I could convince hon. members who are going to sit on this committee, and the people of Canada, that these extraordinary powers are not all necessary. I feel that what is needed is not a further extension of socialist powers, government powers, but the effort to bring freedom and private enterprise more into action as I think could have been done here if the attempt had been made.

I quoted what the hon. member for Eglinton said last week, and I should like to quote one or two more things from this book by Mr. Russell Kirk. In my opinion we should try to assess these things very carefully and not merely take some easy way to get an immediate result if in fact we are disregarding what we really believe are the principles that we should follow. At page 414 Mr. Kirk says:

> During the remaining half of the present century, the principal endeavour of intelligent conservatives is likely to be resistant to the idea of a planned society, through restoration of an order which will make the planned society unnecessary and impracticable.

He goes on to say:

> If, by the year 1984, justice, liberty and hope still are general characteristics of western social thought, the credit for this conservation of traditional values may belong to the school of genuinely reformatory and critical conservatism which is a growing influence in America and Britain . . .

The Acting Speaker (Mr. Applewhaite): Order. I do not like to interrupt the hon. member, but it is my duty to advise him that his time has expired.

Mr. Macdonnell: If I may have 30 seconds, I should like to finish reading what he says. He goes on to say:

> The mass of men must find status and hope within society: true family, respect for the past, responsibility for the future, private property, duty as well as right . . .

Referring to what he calls the problem of economic stability he says:

> But it does mean the establishment of a rational relationship between endeavour and reward.

I believe, Mr. Speaker, that these considerations, to which I have tried, very inadequately, to address our minds, should not be disregarded, and I hope they will not be disregarded when the bill gets to the committee.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, in the first place I am at a loss to understand why the hon. member for Greenwood (Mr. Macdonnell) is apparently unable to comprehend a writer of the clarity of G. D. H. Cole and why he draws such strange deductions from his words. I am also surprised that the hon. member finds fault with this bill on the grounds that it is a bill which would appeal to socialists.

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

Mr. Cameron (Nanaimo): Yes.

Mr. Macdonnell: I hope he realizes that I was quoting Cole.

Mr. Cameron (Nanaimo): I know the hon. member was, and I will come back to that in a moment. I know that the hon. member was quoting from Cole, and when I heard him quoting Cole I realized how useless it was for socialist writers to expect to be understood.

Mr. Fleming: Not only socialist writers. How about socialist speakers?

Mr. Cameron (Nanaimo): I am at a loss to understand why he should think the bill would appeal to socialists, and equally at a loss to understand why he objects to it so strenuously from the corner in which he sits. Here we have a bill apparently designed to do nothing but protect the interests of the lending institutions, with which I have always understood my hon. friend had connections.

Let us see what the purposes of the government were in introducing the legislation. They are stated as being the promotion of the construction of new houses, the repair and modernization of existing houses and the improvement of housing and living conditions. They are worthy motives, but I wonder whether, after a year of operation of this legislation, the minister will not find himself perhaps murmuring the old tag, "How doth desire outrun performance".

I am giving him the credit, of course, of thinking that he has the desire to see houses built for the people of Canada. Let us take his own figures. An individual who is going to build an $8,000 house first of all has to find $800 for his down payment. He then has to buy a lot. I presume he will pay at least $200 for his lot. This is of course, Mr. Speaker, always assuming that today one can build a house for $8,000.

Here is our prospective buyer who now has to find a total of $1,000. Where will we find him in the population of Canada? I have the taxation statistics of the Department of National Revenue for 1953 covering the income brackets of all those taxable and non-taxable persons in Canada who filed income tax returns. We have those persons with incomes of under $1,000 who amount to 14·7 per cent of the total. I think the minister will agree with me that a person with an income of under $1,000 is not going to be able to find $1,000 for a down payment. So they are wiped out. The next group is persons with incomes between $1,000 and $2,000, and they amount to 28·1 per cent of our total population. Again I think the minister will agree with me when I say it is very dubious whether people with incomes of $2,000 or less are going to be able to find $1,000 for a down payment. Then we come to persons with incomes between $2,000 and $3,000. These amount to 30·4 per cent of the population.

This makes a total of 73 per cent of our population with incomes of less than $3,000 a year. I submit to you, Mr. Speaker, that anyone with an income of $3,000 or less is not going to be able to take advantage of this act. Someone has suggested that perhaps they are not eligible, that perhaps they do not fall into that quaint category the minister mentioned the other day when he referred to credit-worthy individuals. It struck me at the time that that was a rather curious form of worthiness.

Just to show how impractical is the suggestion that people of modest income are going to be able to build houses under the terms of this legislation, I should like to tell the house of what I saw in the state of California only a few months ago. In September I visited the peninsula south of San Francisco, probably one of the richest areas in North America. It is one vast garden all the way down from that city. All along the skyline boulevard highway private building developments are in progress. One may see large billboards advertising the terms upon which people may take advantage of what these builders have to offer. They are advertising houses to a value of $16,000 which can be obtained with a down payment of $400.

I suggest to you, Mr. Speaker, that that is a practical realization on the part of these private building contractors that the average family that aims to live in even a $16,000 house has very little cash to make a down payment. I have yet to hear any convincing argument which satisfies me as to the necessity for this down payment at all. We are told, of course, that it creates an interest in the property, and unless a down payment is made the purchaser will not care for the property after he gets it.

That seems to be a dubious argument. I believe that persons who are putting aside each month regular sums in the hope that they will own their homes some day will look after them whether down payments are made or not. The down payment requirement in this legislation makes it of practically no use to the people of Canada.

One of the great shortcomings in the bill is that there is no real provision for low rental housing to meet the needs of those people who cannot afford to pay the rentals charged today. There is of course a provision to aid private contractors in the building of multiple dwelling units, but this will not meet the needs of those in the low income brackets. It will meet the requirements of those in the middle and higher income brackets. I recall the sad experience many people had in Vancouver shortly after the war in dealing with Central Mortgage and Housing Corporation. At that time apartment houses were erected, designed to accommodate veterans with children. First

of all the rents were to run between $40 and $50 a month. Those rents gradually crept up until they reached $60 or $70 a month.

That appears to be the situation in Ontario today. This past week end I was in Toronto visiting a young couple who are living in an apartment house constructed under the guarantee of Central Mortgage and Housing Corporation. They rent a small basement suite with a total floor area of between 600 and 700 square feet and pay $81 a month for this accommodation, and they have been told that when their lease expires the rent will increase to $100 a month.

These are conditions people in Canada are facing today. I might add that the young man in the case I have mentioned makes a weekly wage of just over $70. He told me when he went to that apartment he was obliged to pay three months' rent in advance. I presume this was to be a form of insurance against damage that can be done to an apartment. It is clearly just another racket; that is all it is, because there are terms in the lease saying that the owner can expend the whole of the advance to redecorate the apartment when the tenant moves out. In order to make this down payment of three months' rental at $81 a month this young man was obliged to go to a bank and sign a note to borrow the money. They are not a particularly extravagant couple, and have two small children. It is obvious that $70 a week is not enough to provide the thousand dollars required to take advantage of this legislation.

I am wondering what the purpose of this legislation is. The government has brought it in with a fine fanfare, stating that it is to promote the construction of new houses, the repair and modernization of existing houses and the improvement of housing and living conditions. I submit, Mr. Speaker, that it is nothing more or less than a cruel hoax being perpetrated upon the people of Canada by this government.

Miss Margaret Aitken (York-Humber): Mr. Speaker, I rise to speak my first few words in parliament inspired by the tremendous importance of this legislation and, particularly, its importance to my own constituency. York-Humber is a pulsating, growing suburban part of Toronto. Residential sections seem to spring up almost overnight. Young people are pouring in and, as in so many other urban parts of Canada, housing has become of vital importance to us.

This bill provides some relief, some assistance, to potential home owners; but there are thousands of people who will find no relief in it whatsoever. For instance, in my riding there are hundreds of young couples living under conditions of two and three families in a house, or living with their in-laws and in a shockingly overcrowded state. They have had to do this, not because they are unemployed or are incapable of maintaining homes. In many cases the wife as well as the husband is working, and each is drawing a quite reasonable salary; but they simply cannot make this down payment that must be made in the purchase of these houses. They cannot set aside that percentage of income required to secure a loan under the National Housing Act.

As I said, the wives as well as the husbands are working. I understand that under the regulations it is not possible to use their combined salaries; yet it seems to me that where a husband and wife are both working toward a common goal, the purchase of a home, they are really a better risk than is a husband with a higher salary whose wife is at home, with plenty of time on her hands to spend his money.

This bill will do nothing for the young people in the riding I represent. The attitude, which amounts almost to scorn, that Central Mortgage and Housing Corporation seems to show for the small-salaried worker, and the even greater scorn it shows for a wife's earning capacity, makes it quite impossible for these young people to benefit by this legislation.

As the hon. member for Broadview (Mr. Hees) said last Friday, under this new measure a prospective home owner must be receiving an income of $3,860 a year before he can apply for a National Housing Act loan. Well, there are many thousands of prospective home owners in my constituency who are certainly not earning even $3,000 a year. Among some of those couples, as I mentioned previously, the wives are also wage earners and their combined incomes would qualify them for a loan. I submit, sir, that wives' earnings, or at least a part of them, should be included in the amount that qualifies for a loan.

There is no doubt about it, Central Mortgage and Housing Corporation is one of the government's most successful arms of bureaucracy. I understand the losses under C.M.H.C. are practically nil, but so are the chances the corporation takes. Bureaucracy can always be successful because it takes no chances. I say, Mr. Speaker, that that is not the way this country was built, and at this stage in our growth it seems to me that such regimentation as is shown in this bill could stultify any further growth. Central Mortgage sits in its ivory tower here in Ottawa laying down the rules without any regard for the drive and initiative of the individual.

What I find suspect in this bill is the fact that there is one rule, and that one rule debars the small wage earner and also the average wage earner; so that while promising so much on the surface, in reality this bill could strangle housing for the majority of the people.

We all know the important part that Canadian banks played in building the Canadian west. In those days, unlike bureaucracy, the banks did take chances on the human element as well as on cold, hard cash. During the early days of this twentieth century, Canadian banks sent young men out to the prairies and over the Rockies to open up new branches for them. They were men of vision and imagination, and they were given much more power than bankers seem to have today. They were permitted to judge a man by his character as much as by the security he could offer when he was seeking a loan. Sometimes the borrowers on the prairie, the farmers, would have to borrow three times before they could pay back the amount. They would come again and again to the bank manager with a story of a bad crop, and then a bumper crop would come along and they would pay off the whole loan. If those prairie farmers had to show that they earned $3,000 a year before they were allowed a loan, well, the prairies would still be pretty arid and the west a bit of wilderness.

I submit, Mr. Speaker, this country has been built by men of vision and imagination, and not by bureaucrats in Ottawa who lay down one rule and take no chances whatever on human drive and initiative. I suggest that this bill should be expanded so it will give assistance to the average Canadian who wants a home of his own. The percentage of income required is too high.

I agree with one hon. member who asked why the government should say, in a country that is free, that a man has to have so much and spend so much on the maintenance of his home. Some people want to spend more on their homes than others. The down payments are too high, and in that regard I was interested in listening to the hon. member for Nanaimo (Mr. Cameron) pointing out to us what private enterprise can do in San Francisco where they can build houses to sell for $16,000 and ask only a down payment of $400. I do not see why private enterprise could not do that here in Canada also.

A great Conservative prime minister, Benjamin Disraeli, once said that the social happiness of the millions should be the chief concern of a statesman. Well, I believe the home is the greatest of all social happiness. The very word "home" is a beautiful one to our Canadian ears, and I say that no government should debar the average or the small-salaried Canadian from owning his own home.

Mr. Clarence Gillis (Cape Breton South): I want to compliment the hon. member who has just taken her seat on her very able and relaxed effort in her first address in this house. With much of what she had to say I agree, but there is a spot or two where we might disagree with her. However, at this time I am not going to do it, not until she has had a better chance of looking over this forum and perhaps revising her opinion.

I would just like to say that the great difficulty in the part of the country from which I come—and it is still operated, mind you, under the free enterprise system—is not getting homes at the present time but keeping the people in the homes they have established over the years. That is our main problem. I want to suggest that the cure for lack of housing in Canada is not slogans.

I was rather disappointed in the hon. member for Greenwood (Mr. Macdonnell). He is always very fair and inclined to be factual; but when he gets up in the house, takes a book and reads the title, and judging by what he quoted from it, it was very appropriate, and pulls a few sentences out of their context—and you know how prone the Americans are at this time to eulogize anything going on in Britain—and give it to the house as the opinion of G. D. H. Cole on a certain subject, all I can say is that I am reasonably sure that if the whole article by Cole were quoted the house would get an entirely different impression. However, that is by the way.

As I see this question, Mr. Speaker, it is tied up with a lot of other matters to which we have to give consideration. Since 1945 this world has been going through a process of change. In my judgment it is a complete revolution that affects the whole world. There are no guideposts to lead us along the way. It is one world today. We have been going through this cold war process. In the cold war, in my opinion, the thing that stands out to a greater extent than developing armies and guns has been the advice we have received from time to time from people who were in a position to give us that advice: that the social and economic conditions of North America particularly are more important to us than the development of armies.

The system in North America is on trial as far as China, Africa and other countries we refer to as backward are concerned. They look to us, and they judge the system that we

represent on the basis of how we do our housekeeping and how we take care of the people who live under that system. In the social and economic structure of this country the thing that stands out in my judgment as a first and must is the housing of our people.

If we are successful in preventing a shooting war, and it looks as though we will be, then the thing we have to do is develop an objective in this country toward which we can take our people. We united ourselves during the war. We had a common objective in defeating fascism. The people got behind us to help win that war and we now have to answer the questions asked, not only by the men who were in the services but by those who were in the plants and factories. They ask, what were we fighting for? They contend that they were fighting for the right to retain what they had and to go forward into something better. There are hundreds of thousands of those veterans who do not forget the slogans on which we fought the last war.

As I said, one of the first things is housing our people. I do not think you can develop good citizenship in any country until you give the individual citizen a stake in that country, a piece of land, a home which he owns, the right to say, "This little bit of Canada is mine; I have something to fight for." If we said now that we were going to declare war on slums, that we were going to give our people the right to own homes in so far as their ability will enable them to do so; if we made that an objective for the Canadian people and told them that we were going to spend some money in the future in that way as we have been spending it on war, then I think we would at least be living up to some of the promises made during the days of the shooting war when the world was threatened, and when we felt we were fighting for something better.

The Chinaman, the African and people in other backward countries are looking to North America as the last bastion of democracy as we know it. We had better smarten up and try to fix it up in order to give them an incentive to strive in their own countries for something similar to what we have in Canada.

I am disappointed in the bill, and for this reason. In 1945 the Minister of Trade and Commerce (Mr. Howe) tabled a white paper in this house. One of the things stressed on several pages—if anyone wants to have a look at it I would refer them to pages 3, 10 and 11—was housing. That was one of the things pointed out definitely by the white paper. There was going to be a program managed by the government that would enable returning service personnel to get homes of their own. The people of Canada were going to get housing generally better than it was previous to the war.

In that white paper the government outlined what their future policy was in regard to the whole development of Canada. Step by step they pointed out that free enterprise would have the right to develop the country and work on the resources, but they also gave a warning that where free enterprise failed to fill the bill the government would step in and supplement their efforts. That is what the government has failed to do in the matter of housing particularly.

The hon. member who spoke just before me made reference to the fact that in the United States free enterprise had been able to build houses for a certain figure, as indicated by the hon. member for Nanaimo (Mr. Cameron). She wanted to know why Canada could not do the same thing. If the hon. member takes a look at the whole picture she will find that United States capital is doing a lot of things in Canada that you cannot get Canadian capital to do. I would refer to the development of our iron ore and so forth. United States capital is coming into this country and working on our resources because Canadians who have capital apparently either have not the initiative or the courage to put their money into any project that is all-Canadian. The Americans are gamblers. They are ready to get out and do things, and that is why you can get houses in the United States much easier and at cheaper rates than in Canada. Apparently our people who have money are afraid to spend it, or they have not much confidence in the future of Canada.

My No. 1 disagreement is that the government announced a very good policy in 1945 in their white paper with particular reference to housing. The bill which the minister has brought in falls far short of living up to the announcement made at that time that where free enterprise failed—and it has failed completely in providing the Canadian people with homes—the government would step in and see that they were provided with homes. This bill does not do that.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Gillis: Mr. Speaker, when we recessed for dinner I was making a few observations

on Bill No. 102 amending the National Housing Act, and I was emphasizing that the policy and philosophy of the government, as laid down in their white paper in 1945, was not being followed in so far as housing is concerned. They laid down a very good policy at that time, but unfortunately they have not followed their own program. In that document tabled in April, 1945, they said that in the National Housing Act, as in all other matters affecting the economic future of Canada, they would depend on the system of free enterprise to do the job, but that where free enterprise fell down the government would step in and supplement what they were not able to do. In the matter of housing that has not happened.

There is no doubt that since 1945 the people of Canada have not been provided with houses under the system of free enterprise. From 1945 on, previous to the amendments, the National Housing Act was largely in the hands of the insurance companies in Canada. They had a lot of money invested, but they certainly did not provide the Canadian people with homes. In fact if you check the figures closely you will find that the backlog of housing that existed seven or eight years ago has not yet been caught up with. We have to a large extent met the demand created since that time, but I believe I am safe in saying there is a backlog of housing in Canada today of around 400,000 family units. That still has to be taken care of; and if you take the natural increase we can expect, and couple that with the fact that the Minister of Immigration and Citizenship (Mr. Harris) announced a few weeks ago that the government planned in 1954 to bring into Canada an additional 168,000 new citizens who will have to find themselves places to live, then the mechanics of this new bill are, in my judgment, not going to meet the need.

To begin with let us have a look at the drawbacks. The bill itself may provide housing for those in the higher income brackets and for some in the middle class, but it definitely will not provide housing for those on average incomes in Canada. There is one group who are not going to be able to get houses on a home ownership basis under this bill. The Minister of Finance (Mr. Abbott), when he brought down his last budget, in discussing the tax rates told us in this house that there were 137,000 families in Canada on incomes below the taxable level. That was families, mind you, and families require houses. That group below the income tax level will not be able to build or rent houses under the arrangements provided in the amendments to the National Housing Act. They are out.

Second, those on average incomes—and the average is under $3,000 for the majority of wage and salary earners in Canada—will also be unable to take advantage of this bill. Central Mortgage and Housing Corporation determine what they call an "economic unit" which is around $10,080 with a lending value of $12,000, and they also insist on an income of around $3,800 a year. There is no point in the average wage earner, earning under $3,000 or around that figure per year, applying for a loan under this bill. He cannot meet income requirements and therefore he is out. You can add that large group to the 137,000 families with incomes under the income tax level.

Looking at the bill on that basis you are not going to provide houses for 10 per cent of the people of this country. The test of income and the "economic unit" as defined by the bill at the present time automatically disqualify them. So we are just wasting our time if we think this bill is going to provide homes for average Canadians.

Mr. Dupuis: Is there any good in the bill at all?

Mr. Gillis: It is not my job to point out the good in it. That is the job of my hon. friend and the members on that side of the house. My job is to pull it apart. If there is anything good in it you tell us what it is, and I would like you to analyse the position of the groups I have just mentioned.

Mr. Dupuis: I will do that.

Mr. Gillis: And how they are going to get homes under the act.

Mr. Dupuis: I will do that.

Mr. Gillis: Another matter the government was lax in supervising, not only the federal government but the provincial and municipal governments also, was that of land speculation, which is one of the main stumbling blocks today in the provision of homes.

Take any city or town across Canada of any size and take a look at values of land back in 1945 and beyond that, then take a look at what you have to pay for a lot in these towns and cities today, and you will find that the average person on an average income cannot even afford to buy a lot. I am told, though I would not swear to this, that there are lots in this city today that cost around $8,000. People who were smart, anticipating what is happening today, namely that the government would take some responsibility in the matter of housing, got hold of land in and around towns and cities across Canada and they are now holding on to it. Today they are holding a gun

to the heads of those who need houses, and in that way we are left with the major problem of finding land for the average person who may want to own a house in or around a town or city of any size in the Dominion of Canada.

I think something should have been done a long time ago, though I believe perhaps we are too late now, with regard to people holding land for speculative purposes. Theirs, I think, was a very unpatriotic act.

A load has been dumped on the municipalities. If one undertakes a housing development in any of the municipalities and towns across Canada today, we find the town is left with the responsibility of servicing the land, and most of the towns and cities today are pretty well up against it in the matter of finances. The larger cities, of course, where they have a lot of property, are not quite so badly off but in most of the smaller towns the situation is not quite so good regarding the servicing of land.

Under the present bill the rate of interest has not been fixed, but the minister did suggest the other day it might run around 6 per cent.

Mr. Winters: I said it would likely be less than that.

Mr. Knowles: Yes; 5·9 per cent.

Mr. Gillis: I would not quibble over a fraction. I suggested around 6 per cent. The banks are going to be protected. They are going to benefit by that interest rate. They are going to be insured. They are not taking any chances. That is not free enterprise. There is no risk capital there. The taxpayers of Canada are guaranteeing it.

Under this act everybody is protected except the man who purchases a home. They are guaranteed by the taxpayers of Canada against any loss of any kind; but under the insurance scheme laid down by the act the purchaser of a home has no protection whatsoever. A man who undertakes to make the down payment obligates himself for the amount of the mortgage. He may continue to make his regular instalments for ten years, and may get some equity in the property. Then he may take sick or lose his job and be obliged to move to another part of the country. He is not able to handle the payments on that property any longer, or maybe he is not permitted to live in the house. He has to get out and find other ways and means of providing that he may eat. The bank is insured. It is not going to lose anything. But for the property holder, who has perhaps put $2,000, $3,000 or $4,000 into the property, there is no insurance whatever.

Mr. Enfield: He could buy it.

Mr. Gillis: Most of those people would be in a nice position to buy it, if they could not make their payments. That is why the man has to get out, or why he has to go to some other part of the country. He has no insurance whatsoever. Whatever equity he has in that property is gone, but the poor little bank is to be protected to the extent of about 90 per cent by the taxpayers of Canada. That is not right. It is immoral, in my judgment, and is something that should be corrected.

We are not asking the government to go into the housing business in Canada for the purpose of stimulating the profits of either the insurance companies or the banks. That is not the objective. The objective is or should be that of getting homes for the people of this country so they may become citizens of the country with a stake in it and be able to say with pride, "I own something in this country besides a place in which to bury me when I pass away". If you are looking for initiative, incentive or that kind of thing, may I say that I think some of the guarantees and protection given to the moneylenders should be given to the purchaser of the property who is endeavouring to make a contribution to the country and to obtain citizenship status.

I think perhaps the interest rate is the biggest stumbling block in connection with the whole matter. My own personal view is that we shall never provide houses for the people of this country on the basis on which we are attempting to do it at the present time. As I said a moment ago, that group of 137,000 families is out as far as this act is concerned, and the large percentage of salaried workers across Canada earning an income of about $3,000 are also out. They are not going to get any housing under this particular act in the form in which we are discussing it at the present time. In their last presentation to the government on December 10, 1953 the Canadian Congress of Labour placed the emphasis where it belonged, in my opinion; because the average person in Canada today, at present prices, cannot afford to become a home owner under the National Housing Act. In a memorandum to the government the Canadian Congress of Labour touched on the whole question of housing and in their final summing up they had this to say:

> . . . very few Canadian workers can afford to build their own homes.
>
> Assuming, as conservative expert opinion does, that a wage earner should not buy a home costing more than 2¼ times his annual income, and taking eight heavy industries (coal mining, metal mining, pulp and paper mills, heavy electrical apparatus, primary iron and steel, motor vehicles, non-ferrous metal smelting and refining, and products of petroleum and coal) in which most of the workers are full-grown men, we find that in only

one of the eight are wage earners now getting enough to buy even the cheapest type of N.H.A. house. And these are the high-wage industries.

The most urgent need is for low-rental housing. This means subsidized public housing. The government has provided for this, in section 35 of the act. But it is doing little or nothing to make the section known, let alone promote it, in the local communities which have to take the initiative in bringing it into operation.

I think the Canadian Congress of Labour, who have their finger on the pulse of the industrial workers of this country anyway, stressed the essential point under present circumstances when they pinpointed the question of low rental housing. As they point out in their memorandum, section 35 of the National Housing Act does now make provision, in co-operation with provincial governments, for the application of low-rental housing.

In what position are the provincial governments to take advantage of that section of the act? Some of them may be in a position to do so. Ontario may be in a position to take advantage of it, and Quebec to some extent, and British Columbia; but the maritime provinces are not in this position. Where the federal government offers either to match dollar for dollar with them, as in connection with the health grants, or even on the 75-25 per cent basis, the provincial governments with low incomes are not in a position to embark on any kind of program that means any large outlay of capital which is to be tied up for any considerable period of time. They could not take advantage of it.

I agree with the criticism made by the congress of labour in that memorandum, to the effect that this section of the act has never been stressed, has never been pushed as it should have been, that the use that could have been made of it has not been made, and that it is not a solution. As indicated in the memorandum of the Canadian Congress of Labour, the scheme might have to be subsidized; and money should be made available to the municipalities which have to service the land, at a rate of interest not greater than 2 per cent. A special fund should be set up to be administered by Central Mortgage and Housing Corporation, and the money should be made available directly to the municipalities, cutting out all the middlemen in between, in order that the municipalities which are in a position to do so may be able to embark upon a housing program designed by themselves to take care of their own needs in accordance with the planning they may have done for expansion, the building of their towns and the servicing of their land. That is not a new suggestion. That was done back in the twenties. I can show you groups of houses that were built under a plan similar to that back in the twenties after the first war. They were good, substantial houses. I never heard about any trouble in getting the rents. They were all paid for. Those who went into those houses on a rental plan ultimately became owners of those properties. They are all owned privately now, but in the first place they were built by the municipalities in that way. In my judgment the Canadian government is not going to be able to fulfil its obligation to the Canadian people, with present prices and circumstances, in any other way.

Then I do not think the federal government has done enough advertising with respect to the assistance that can be had by co-operative organizations in the building of homes, and their recognition in the act as lending institutions. In Nova Scotia we have a provincial co-operative housing act. It has been in effect for some considerable time and I think it is one of the best acts of its kind in Canada. The only drawback has been that funds have not been available to make it work. If the minister could arrive at an arrangement under this legislation—

Mr. Winters: We have done so.

Mr. Gillis: —whereby funds could be made available—

Mr. Winters: We have done that.

Mr. Gillis: —directly to these co-operative housing groups at a lower rate of interest, not at the present rate but at a rate of approximately 2 per cent, he would not hear any more about housing from that part of the country. The people would look after their own problem. But the difficulty arises when complicated machinery is set up involving either banks or insurance companies. A person has to make application to some central office in Toronto or Montreal, and the economic experts of these companies, who have never seen the part of the country concerned but who take their opinions from economic analyses made by banks and so on, put a red pencil mark around that part of the country and say that its economic future is not sufficiently promising to warrant spending any money on housing. That is the kind of deal you will get in many districts across Canada.

Some person may say that this plan is going to be a wonderful thing because the local bank manager who knows the needs of the people is going to be able to sit down in his own town, his own community, and determine whether or not John Jones should get a loan for housing. That is a fallacy. All the local bank manager will be in a position

to do will be to spend a couple of weeks taking applications and determining what security and income the applicants have and what the future of the community is. After he has compiled that information he will send the applications to the head office in Montreal, and they will be sent back with a red pencil mark through them. Head office will say that the economic future of that part of the country is not good enough to warrant the investment of any of their money over a period of 25 or 30 years.

Mr. Dupuis: There is no such place in Montreal.

Mr. Gillis: There is such a place as "Jesse James" street down there. We have to overcome the complicated, mysterious, administrative roadblocks that have caused trouble in housing since at least 1945.

The minister comes from Nova Scotia. I suggest to him that money should be made available at a reasonable rate of interest directly to co-operative groups under the Nova Scotia housing act. Their legislation is properly administered, and they are easy people to talk to. They have done a lot of building so far, and there has never been a suggestion that anyone has ever defaulted on payments. There has never been any trouble, and they have provided many good substantial homes at reasonable rates. If you can cut out the red tape of the banks and the insurance companies and make money available to these co-operative groups at proper rates of interest you will not have any trouble in that area with regard to housing.

Mr. Winters: I wonder if the hon. member would mind my interrupting to tell him that last year the Nova Scotia government made their legislation complementary to what was then section 35 of our National Housing Act so we could co-operate with them under an arrangement whereby we would provide 75 per cent of the funds for that very purpose.

Mr. Gillis: I am very glad to hear that. That is a step forward. The next thing you will have to do is lower the rate of interest, and when you have done that you will have solved the problem. I seriously suggest to the minister that the rate of interest must be dropped. I believe the amount of the down payment should be lowered. With the stereotyped administrative machinery of the banks, I do not think as good a job will be done in providing houses this year as was done under the old act last year, even with the insurance companies. I think less money is going to be available. The banks will administer things on a much more conservative basis, and we are going to wind up at the end of 1954 with a much bigger backlog in housing than we have at the present time.

I think it was a proper step to make section 35 complementary to the Nova Scotia co-operative housing act, and the only thing wrong now is the rate of interest. If you can succeed in lowering it and make money available throughout the provinces of Canada to provide low rental housing you are going to take care of a large group of wage and salary earners who will never get houses under the National Housing Act by applying to the banks. You will also help to provide low rental housing for the 137,000 families mentioned by the Minister of Finance (Mr. Abbott) who live on incomes below the income tax level. In my judgment the solution is low rental housing handled directly through Central Mortgage and Housing Corporation in co-operation with municipalities and co-operative organizations in the local communities.

(Translation):

Mr. Hector Dupuis (St. Mary): Mr. Speaker, the bill now before the house has given us once more the opportunity of hearing the sempiternal jeremiads, criticisms and lamentations of the opposition. The way our Conservative friends speak, one would think that they have the monopoly of kindness towards the people! It is so true that were we not conversant with their past, their extremely revealing past, we might be led to believe them when they seem to take an interest in the low wage earners. But we know that the government can never do anything to please Her Majesty's loyal opposition. If we gave them the moon, I believe they would ask for Mars, if not Venus, and would want still more.

It is quite easy to criticize a party in power. But one should make worth-while suggestions to improve the situation.

Some C.C.F. members, and in particular, I believe, the hon. member for Winnipeg North Centre (Mr. Knowles) suggested that the rate of interest should be 2 per cent with amortization spread over a 40-year period. Well, why not go further and ask the government to pay a premium to all who wish to become

home owners? We must take a realistic view of the situation and recognize what the government has done for housing up to now.

Going back to the years where no help of that kind was to be expected from the government, the best mortgage a prospective home owner could hope for was 50 per cent of the amount he was ready to invest. Today the amount has been raised to 90 per cent, 80 per cent of the first $8,000 and 70 per cent of the amount above $8,000, which means that with a down payment of $1,400, one can build a $10,000 house, thanks to the government. I do not bring any new facts. I am just reviewing the main sections of the bill before making my own deductions.

Really I wonder if in ordinary business today you could obtain an $8,600 loan on a $10,000 property? That is impossible. You might have the greatest reputation in the world but nobody in business would be willing to transact anything on that basis. So that is one step better than what the government has so far given us.

The opposition has made much of the fact that to take advantage of this legislation a man had to earn between $3,500 and $3,860 a year. I know, of course, that those who have no special skills do not at present earn this salary but I do not think I am wrong in saying that all skilled tradesmen earn at least $3,500 a year, if not more, so that a large number of those whose revenue is $3,500 or more are in a position to benefit from this offer on the government's part.

Now, you will say that the government should have given more thought to those whose revenue is less than $3,500. Of course one can always do better and the more the government will do to encourage home ownership, the more they will deserve the praise of the interested parties. Still, while I feel sorry for those whose earnings are less than $3,500 a year, I do feel, Mr. Speaker, that I am in a very good position to deal with this matter. As it is, the people in my constituency are workers, and, for the most part, skilled craftsmen, the rest being what are commonly called helpers, or day labourers.

I would like each of them to own a house. I would like all of them to benefit from other generosities of the government and own a house. But we cannot do everything at once. However, it is possible that we may be advancing toward the goal desired by each and every one of us. It has been said—it is not I who said it, and I do not rejoice at the thought—that, unfortunately, there will always be poor people among us. There will always be people who will not be able to afford to own a house; there were such people in the past, and it will be the same in the future. It is inevitable. It is a situation that we must accept, but we must try to improve it for the working classes, those who earn less than $3,500. They are protected by unemployment insurance, by family allowances and in various other ways, but we ought to study their case in order that they may benefit from the facilities which are being provided under this bill.

Formerly, when the small wage earner wished to become a home owner, every member of the family would get together in order to contribute to a common fund, and the savings of everyone would be sufficient for a down payment on a house. Well, I fail to see how things are different today, for it is still possible to achieve the same result through the same means. Every member of the family can help the head of that family, who has made great sacrifices, who has saved quite a bit, not only to make both ends meet but also to make his dream come true, that is to own a house of his own. Well, I would imagine that by saving wisely, one can make such a dream come true even today!

Mr. Speaker, there are some who think they are furthering the interests of the country when they claim that our citizens cannot benefit from the proposed legislation because their income is too low. Our provincial governments and our municipalities also have responsibilities in that field; they must accept them and use the facilities which the proposed legislation will offer as they could use in the past the facilities offered under the existing act, which enabled our municipalities and our provinces to build dwellings to replace existing slums and unhealthy houses. There is a provision in another act for that purpose, which was underlined by the minister in the following words:

> . . . Or where a municipality and a province feel there is need for rental accommodation with subsidized rentals for families of low income, the federal government will participate to the extent of 75 per cent of the capital investment and subsequent operating losses. Where slum clearance and housing redevelopment are desirable, federal participation is available for 50 per cent of the cost of the slum clearance.

Those who have complained about the scarcity of houses have never hoped that one day everyone would own his own house, but all have wished that conditions might become such that families could house themselves without having to crowd into dwellings that are too small. When we succeed, through this bill, in increasing the number of houses available in the country, we will enable people who now have to share housing accommodation to occupy premises vacated by the owners of new houses. Again I say that everyone cannot become a home owner.

As I stated before, one must remember that provincial and municipal governments also have their share of responsibility in that field. Besides, provincial governments now have sufficient revenues. For instance, if we examine the budget of the province of Quebec, we find that it now stands at $308 million, while between 1930 and 1934 its revenue was approximately $52 million. I believe it might be possible to take advantage of this plan to undertake a housing program of dwellings suitable for two or three people only. Here again another great problem arises. It is not simply a matter of building five or six-room dwellings, as in the case of those who would avail themselves of this plan to build $6,000 or $8,000 houses. I am wondering how we shall proceed when the provincial government decides to embark on a large-scale building program to supply homes for those who have none. Houses will have to be built for the large number of families who are today living in hovels that are detrimental to the moral as well as the physical well-being of our fellow citizens.

Well, that legislation will enable us to lay the foundations for such a program and I hope that it will be implemented in the near future for the benefit of the whole population.

Now, some hon. members have contended that the monthly payments to be met by the home owner under this program are too high. I have always understood, and those who have kept themselves somewhat informed about economic conditions in this country have always thought that a month's rent should be the equivalent of a week's earnings. Well, on the basis of the revenue of a home owner taking advantage of this plan, we see that his monthly rent will not exceed his weekly earnings, as the amortization of his debt, spread over a period of 25 or 30 years, will entail payments of only $58 to $60 per month.

Those payments are by no means excessive. The government are not acting with undue haste but they are going along slowly and wisely, meeting new situations as they arise in this country. That is what we must look forward to. There is no need for us to be ashamed as we rise to support a measure such as that which is being introduced here at this time by the government. They are not rushing into this madly, they are not losing their heads over the situation but are wisely looking over matters.

No one can seriously imply, not even my C.C.F. friends, that there might come a time when property owners who have taken advantage of this plan will lose the money they have spent because they will no longer be able to meet their obligations.

Now, gentlemen, that is easy to say, and it is very easy to appear to sympathize with the plight of the poor. But, as far back as I can remember, I have known that those who cannot meet their obligations unfortunately stand to lose, in many instances, what they have already paid. Such is the case for automobiles, electric refrigerators and so on. If the buyer is not in a position to meet his payments, he stands to lose what he has already paid. That is unfortunate, but he must accept his loss, as we all have to accept our woes, since we are all in a valley of tears, as it is so well put in a certain prayer.

The government has made things easier, perhaps not for everybody, but at least for 90 per cent of those who will now wish to become home owners, and I am sure that they will all be in a position to meet their obligations. Even if the prospective homeowner under one of those plans became so ill as to lose his job, the remainder of his family would still be there, able to come to his help. I hope that enough of the old family spirit has survived to inspire them to do their share to avert the disaster, even at the price of great sacrifices. I dare hope that our fellow Canadians have kept enough of that family spirit to come to the help of their parents, in such circumstances. There should not be too many cases of foreclosure of mortgages, and I hope that such cases will never arise.

Some have tried to minimize the advantages from which people will benefit now that banks are allowed to grant mortgage loans. I know very well that the humble manager of the branch around the corner will not have authority to make a decision in all cases but his influence will make itself felt in the main office. Here I am thinking especially of the city of Montreal and the surrounding district. Now at the same time this will put an end to a situation that was truly deplorable for certain citizens of our metropolis, more particularly in certain districts east and southwest of Montreal where lending companies refused to lend money pretending that it was economically unsound to do so in that part of the country, because the security factor prevented them from lending money in the districts I have just mentioned. Well, banks having branches in the various parts of our city and wishing to do business throughout the city of Montreal will be able at any time to recommend to their head office the loans requested in their respective districts, so that all parts of Montreal will be on an equal footing.

Now, it has been said that it is quite probable that no more than 100,000 dwellings can be built. I am no expert in the matter, but I am wondering, Mr. Speaker, whether we have sufficient manpower and skilled labour to build more than 100,000 houses in the same year. Like everyone else, we hope that the housing crisis will soon end. However, one must not be too optimistic about the possible results of the bill now before the house. I hope that it may enable us to remedy the situation as soon as possible. If I said that we can find in the country sufficient labour to remedy the situation in one year, my colleagues might be tempted to take my remarks jokingly. It will undoubtedly take some years before that can be done. But legislation of this kind will enable a large proportion of our people to become home owners, to build houses of their own.

I could dwell longer on the matter, but I will limit my remarks to the interest rate. It is true that anyone can personally seek information from loan companies, or from the banks to find out what the interest rate would be on a first mortgage loan. I believe that it would not be easy to obtain such a loan at less than 6 per cent. I hope that the rate will not reach 6 per cent and that it will be set between 5 and 6 per cent and even lower if possible, though I don't think that it is feasible.

It is easy perhaps to wish that the rate be set at 2 per cent. If those who advocate such a rate were in power, they would be the first to admit that it is impossible to set the interest rate much below 6 per cent. I do not question their sincerity. They want our fellow citizens to benefit from a 3 or 3¼ per cent and even 3½ per cent reduction in the interest rate. If our friends opposite want a 2 per cent interest rate there is nothing to prevent them from making representations to the authorities of their respective provinces in order to get them to undertake to pay the difference between the likely rate of 6 per cent and the 2 per cent rate suggested by the opposition. As I see it, their suggestion has no other purpose but to lure the people with bright prospects. As far as we are concerned, we have here a bill the results of which will surely be beneficial to a great number of our fellow citizens.

That is why, Mr. Speaker, I do not hesitate to give my wholehearted support to this measure. I express the hope that this government may keep on improving the situation, through a policy which is so beneficial to those who wish to become home owners. It is possible that the government may be in a position to do better in the not far distant future and I hope that they will take advantage of every opportunity to do good in all fields under their jurisdiction.

(Text):

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, at this stage in the debate there is a tendency for discussion to become somewhat repetitious. I think that is all to the good, because I feel that the subject of housing in Canada is one of the most important topics that members of this house could discuss. I say that not merely because of the debate we have had during the past three days and the inspiration derived from listening to the various speeches, but also because of a keen personal interest I have had in this topic for the past seven or eight years since the war.

My close personal interest in this subject arises first because I belong to the age category which has felt most severely the postwar pressure on housing in Canada. I remember vividly my own experience of venturing into housing in the manner to which so many young couples have had to resort these days, by subletting a few rooms in a home. The

demand for a private home soon became imperative. My first investigations into the subject were carried on in 1947, when I discussed the matter with real estate men who were supposed to have an intimate knowledge of the real estate situation in Canada. Their advice was that houses were at the top level of value. They suggested that on the basis of their experience I should wait until such time as prices would level off, when I would be able to purchase housing accommodation on a more permanent basis and for a more equitable value.

That was in 1947. In 1948 the price of houses soared another $1,000. In 1949 it went up further. By the time I finally took upon myself a house I found that I could have saved some $2,000 or $3,000 had I taken advantage of the opportunity back in 1947. I found also that even though I had managed to save a fairly substantial sum of money in order to make a down payment, it was not adequate to meet the requirements of the National Housing Act at that time and I had to assume a double mortgage.

As I say, I have had a personal interest in this subject along with a large number of Canadians in the same age category as myself. I remember taking part in a discussion back in 1949, a year or so before I came to this house. We used to get together in a citizens' forum discussion group and one evening the topic discussed was "When do we get more houses?" As I have listened to this debate it seemed to me that that topic is just as pertinent today as it was in those days.

I recall carrying on an exchange of correspondence with the member who represented the old Brandon riding at that time, the late Mr. Matthews. He was interested in housing and we pursued the subject by correspondence for several weeks at the time the special amendments were being introduced, I believe in 1949. In a sense then I am merely expressing in this debate the interest and the emphasis of the members who in the past have represented the constituencies of Brandon and Souris in this House of Commons.

It has been said that, next to national defence, housing is the most important domestic problem in this country. Several hon. members have dealt with that particular aspect of the topic already during the debate, and have suggested that there are very serious social implications involved in housing. We have heard it said that if we solved our housing problem we might solve all the major social problems that are besetting the large urban communities during these complex post-war days.

I am not going to oversimplify to that extent, because I do not think there is any one cause that can explain the problems of juvenile delinquency, broken homes, divorce, mental illness and those other difficulties that have been referred to here this afternoon. I do not accept the environmentalists' theory holus-bolus, neither do I believe that there is no major contribution to social well-being to be made by the provision of adequate housing.

I would like to point out that we should not confuse the issue. Merely providing a house does not necessarily mean that you are providing a home. There is a vast difference between a home and the physical facilities that would be provided in a house. The problem of establishing a home, and by that I mean a healthful, wholesome environment in which a family can grow up, in which children can be shaped into responsible citizenship in our twentieth century civilization, involves much more than the mere provision of the physical facilities. It involves a number of subtle spiritual and psychological factors.

I shall sum up this part of my speech by stating that I agree generally with the statement made by Phyllis Burns who, speaking as secretary of the Canadian Welfare Council's family welfare division—

An hon. Member: Rabbie Burns day.

Mr. Dinsdale: And very appropriate, too. I certainly think he had something worth while to say about housing and families. But whether Miss Burns is related to Rabbie Burns I do not know. However, she was reported in the Ottawa *Citizen* of May 2, 1952, as follows:

> A lack of housing has become Canada's most acute social problem affecting family life, Phyllis Burns, secretary of the Canadian Welfare Council's family welfare division, said yesterday. More causes of family quarreling, desertions and juvenile delinquency have been traced to the housing scarcity than to any other cause, Miss Burns said. Her estimate was based on field reports by Canadian welfare agencies across the country.

We all highly respect the opinions of the Canadian Welfare Council because that group is very closely in touch with conditions in Canada generally so far as social problems are concerned.

The reason the housing situation in Canada has such serious social implications is that it is largely young couples, at the beginning of their family careers, who are affected. These young Canadian families from which will come the generations of the future will be moulded by the family atmosphere established in these young family groups, and that atmosphere will have a very serious bearing on the Canada of the future. Unfortunately it is these younger families who

are most seriously affected, and it is they who are least able to assume the financial obligation of obtaining a home, a reasonably adequate home, either by purchase or through rental.

Looking at the local situation for a moment, the city of Brandon is not a large city, certainly not among the largest cities in Canada, but in that community alone there are 150 young veterans still waiting to obtain accommodation in the group of wartime houses established in Brandon shortly after the war. I know this to be a fact because every time one of these houses becomes vacant I get the impression that I hear from the remaining 149 who did not get the vacant house, and they ask why they with their eligibility they did not obtain the house that became available.

In addition to the problem of the young couples we have the effect of the housing shortage on the group I might call senior citizens. I believe it is the senior citizens, the older age group in Canada at the present time, along with those who are just beginning their family careers, who are suffering most. These senior citizens have become victims in a society which has undergone the rapid changes which accompanied the industrial revolution. Canada has rapidly become urbanized, with the result that fathers and mothers, the pioneers who played their part in the foundation of this country, are being very hard-pressed to find suitable accommodation. The smaller families—and I think it is recognized that the family unit tends to be smaller on an average across Canada—are not able to care for grandmothers and grandfathers as they did when the majority of families lived on the farm. There is also the problem of increasing longevity. These two groups create a very urgent demand.

As I have listened to the debate during these past three days it has seemed to me we have viewed the problem slightly out of perspective. The emphasis has been on the urgent demand of the moment, but it seemed to me as the discussion proceeded that there has always been a housing shortage in Canada right from the early pioneering days. Here we must, I believe, make a distinction between real demand and real needs, because we know human needs can become insatiable. Human beings, so far as material and physical needs are concerned, have horizons which are unlimited; and in this day and age, when we emphasize materialistic values more perhaps than in the early pioneering period of Canada's development, it seems we are not as easily satisfied as our forefathers in regard to housing. Perhaps the need is not much greater, but certainly there is a wider demand for better housing accommodation today.

The housing shortage is a problem of long standing because with the wave of immigration in the early part of this century, when 2 million people landed on Canadian shores in a relatively short period of time, hardly anything was done to provide suitable housing accommodation for the newcomers.

During the Christmas recess I read that very excellent biography of the late J. S. Woodsworth, and I was intrigued to learn that it was while he was serving in a mission in the north end of Winnipeg, and dealing with some of the housing and social difficulties created by this wave of immigrants pouring into our urban areas, that he first began to think in terms of political and economic action as a means of solving basic human problems rather than relying on religious emphasis as had formerly been the case. I do not want to oversimplify this, but it might well be that this housing crisis and the impact it had upon its founder gave rise to the C.C.F. movement in Canada. The wave of immigration, the shift of population to the urban areas, the industrial revolution, the resulting growth, and the tendency to build houses that degenerated very quickly into slums have all contributed to the confused political situation in which we find ourselves today.

There is a backlog in housing demand, not necessarily housing need, that has been estimated at anything from 100,000 to 700,000 housing units. The matter came to a head during world war II, when for a period of four or five years there was hardly any housing construction at all, with the result that in 1944 the government had to take serious steps toward grappling with the backlog of demand. Since then increasing government attention has been given to housing in Canada and I noticed, as I reviewed the situation, that unfortunately the response to government measures and the results from these measures have not always been good.

There has been a somewhat disappointing result from the legislation thus far. That statement applies even to the legislation I referred to, namely that of 1949, when enabling legislation was passed by this house making it possible for the three levels of government—federal, provincial and municipal—to deal especially with the provision of low-rental units. That legislation seemed to offer an excellent solution to this difficulty which would relieve the pressure with regard to young couples to whom I have referred

and also with regard to older age groups. Unfortunately there have not been too many projects developed under this legislation. It seems to me this stalemate has resulted mainly because the legislation was only enabling legislation and its success depended on the initiative of the provincial and the municipal governments. In most cases this initiative has been lacking.

In Manitoba steps were taken in the legislature to make it possible to take advantage of the federal legislation, but that was just about as far as the matter went in our province. Individual schemes must be approved by plebiscite before the municipalities can proceed to meet the urgent need for low-cost and low-rental units. While the municipalities would like to do something about it, unfortunately they are not financially able to do so. They are hamstrung financially by a tax situation that is only too well known in this country. They cannot put up even the small percentage that is required of municipalities under section 35 of the National Housing Act. They cannot put up the money nor can they provide the serviced land necessary to deal with the situation.

As hon. members on all sides of the house are aware, the crux of this problem arises from the fact that the municipalities will never be able to cope with the situation financially until the main burden of providing for general services of health, welfare and education is shifted to the senior governments. We cannot expect taxes on property, which is the main source of municipal revenue, to handle these services. Actually municipalities can scarcely handle the demands for local services such as roads, sewers, sidewalks and so forth, let alone indulge in the luxury of providing the general services of health, welfare and education.

In reading my local paper, the Brandon *Daily Sun*, of last Friday, I believe it was, I was interested to note that one of the points stressed at the meeting of the Manitoba municipal association, the first major point to be stressed by the president, was this problem of the inequitable distribution of taxes and responsibilities among the three levels of government. This situation becomes especially difficult where there are no large industrial developments to supply broader tax resources for municipal purposes. This of course is true where you have an area that is made up of smaller rural communities or smaller urban areas. Unfortunately, as has been pointed out by many others who have taken part in this debate, the new legislation that we have before us will not begin to deal with this difficulty.

To bring these remarks to a conclusion and generally to appraise the legislation in the light of the observations I have already made, may I say this. Even to keep up with current demands we need some 130,000 new housing units annually. This requirement has never been met under any of the legislation put forward by the government up to the present time, and it does not appear that we are going to be much better off under the new legislation.

On the surface it would seem that the basic problems of lower down payments, more readily available mortgage funds, and a longer period of amortization are going to be met; but as various hon. members have proceeded to analyse the legislation, it seems obvious to me that all these provisions are going to be invalidated by the fact that we are still faced with high costs of construction.

This was the problem that first beset me when I began to pursue some solution for my own housing difficulties; and it is still the basic problem that will largely invalidate the effectiveness of this legislation before us. It is not going to meet the situation where the urgent need is felt, namely among the younger families who tend to be in the lower income groups because they are starting out on their careers; and certainly it is not going to deal with the problem of low-cost housing for our older age group.

Various solutions have been put forward by hon. members, and I am not going to labour that point. This is merely a discussion preliminary to the legislation going to the committee. In that committee, as it continues the discussion, I trust that something will be done to deal with this problem that seems to be the central one, namely that of the cost of housing soaring beyond the capacity of the ordinary wage earner to meet it.

We have had the "co-op" housing scheme put forward as a solution. I concur in the suggestion that this scheme could help in a real way to deal with the difficulty in the lower-income group. We have also had the suggestion that we should eliminate some of the frills on the houses sponsored by the National Housing Act, so the cost might be kept low enough to enable advantage to be taken of the improved financial terms.

In the city of Brandon one contractor has been able to put up a series of homes priced at $7,200, which is just about the level that the ordinary young family is able to meet. But unfortunately, because these units do not meet the specifications of the National Housing Act, they are not covered by this kind of financing. That difficulty is also related to the fact that serviced land is not

available, and I understand that under the National Housing Act units are not approved that have no running water and depend on septic tanks and so forth for sewage disposal.

These two solutions, the co-operative housing scheme and the suggestion that we might be satisfied with a more practical form of low-cost housing at the moment, depend very much upon local community action. In fact it seems to me that most of the provisions of the National Housing Act are quite useless unless municipalities, provinces, co-operative building groups and even the local contractors are willing to take advantage of the terms of the legislation and exert some initiative at the local community level toward the solution of these difficulties.

That leads me to suggest that Central Mortgage and Housing Corporation might do something by way of propaganda and publicity to try to stimulate local enthusiasm and encourage local groups to participate under the terms of the legislation. I think Central Mortgage and Housing Corporation has the necessary public relations machinery to do such a job. Certainly the government has, because as we contemplated the appearance of this legislation quite a feeling of anticipation was built up. It looked as if it were going to be the *summum bonum* as far as our housing problems were concerned. We were all on our toes hoping to find that at last we had the answer to the riddle; and it could be that the legislation will be helpful if the provinces accept their responsibility, and if something is done about the basic difficulty of inequitable distribution of tax resources, financial resources and service responsibilities.

I saw a newspaper announcement to the effect that C.M.H.C. is opening further regional offices in order to promote the construction of houses under this legislation. Indeed, I think it is even contemplated that the facilities of the regional office in the city of Brandon may be expanded in order to make it easier for local citizens to become fully informed as to the nature of the legislation and be governed accordingly. Certainly if we are going to meet the really urgent need—and this legislation does not provide a solution because, as I have indicated, of the increasing high cost of home construction —it is going to be met not because of the initiation of this legislation by the federal parliament but by action on the local level.

This question also has broader economic significance. We are very reluctant to talk about the process of economic readjustment, as it is politely referred to, that is going on throughout the continent at the present time. No one dares to use the word "depression". We use the word "recession", and the term the economists are using today is "economic readjustment", a period of transition to a more realistic economic state of affairs, a moving away from the inflationary buoyancy that has carried the two major countries on this continent forward in an intoxicating state of artificial prosperity since world war II. If there is such an adjustment taking place, and public opinion seems to be crystallizing around the idea that there is, we should not ignore the possible impact of a stimulation in the housing construction program because the economy of every community and city throughout the country has benefited as a result of the construction activity that has gone on since the war.

I have prepared a few statistics to point up just what this means in terms of man hours. These are rough averages. If each housing unit constructed involves 2,300 man hours on the site and 3,100 man hours off-site, we have 5,400 man hours of labour per unit. Taking a full working year as 2,000 hours and the average housing production per post-war year as 80,000 units, work is provided for 92,000 men in the construction industry itself and 124,000 in the industries producing and distributing building materials, a total of 216,000 men, a significant figure indeed.

I will not have the opportunity of serving on the committee that will consider the bill, but I trust that the recommendations that have been made during this very interesting debate will be taken into consideration and that something really constructive will be done to provide through this legislation a solution to the problem of the lower-salaried, younger Canadian citizen.

Mr. H. O. White (Middlesex East): Mr. Speaker, in rising to take part in this debate on housing there are a few observations I wish to make. The first is that in the constituency of Middlesex East, which I have the honour to represent, there are no slums, so the minister can forget all about slum clearance. However, this fact does not relieve the authorities, municipal, provincial or federal, from taking part wherever possible in the introduction of a modern, realistic housing program to provide homes in modern communities for people who need them and are in a position to purchase them.

So far as housing is concerned, however, the truth of the matter is somewhat similar to the truth of the matter as far as markets for primary products are concerned. We have priced them out of the reach of many prospective buyers. When it is necessary to have an income of $3,800 to purchase a home

under Central Mortgage and Housing Corporation, that eliminates quite a large number of people, especially young people who are just getting established.

As the hon. member for Brandon-Souris (Mr. Dinsdale) pointed out, probably no other activity pumps money into the economic bloodstream to the same extent as the construction of buildings, particularly houses. So many different things are needed in the building of a home that money spent for that purpose is scattered throughout the whole country. I have said time and again that the more people we have owning homes in Canada, the better off we as Canadians will be.

It has been mentioned that the banks are going to be guaranteed on these loans; but do not let us forget what happened in the United States not so many years ago when the banks in that country were not able to meet the demands of their depositors, and declared a bank holiday. This was brought about because the liquid assets, so-called, of those banks were tied up in real estate. We can point with pride to the ability of our banks always to be in a position to meet the demands of depositors. I am not certain that this venture into making loans on real estate is a good move so far as our banking system is concerned.

Then I would point out to prospective purchasers of houses built under Central Mortgage and Housing Corporation that they should not get the idea that because this is sponsored by that corporation it will result in dream houses for everyone. People must not permit themselves to expect that everything will be just as they might wish it to be, simply because the government is behind it. They will find out, to their sorrow, that such is not the case. True, inspections are supposed to be carried out; but those inspections are for the protection of the suppliers of capital, not for the protection of purchasers of homes. Many purchasers have found that out, to their sorrow, in years gone by. An owner will find, after moving into his house, that there are many defects; and then when he makes complaints the buck is passed around from one to another and no one seems to be able to put a finger on the real culprit.

This is a pretty serious matter, and it has been brought to my attention on more than one occasion. I have gone to see some of these homes and I have found that the purchaser has been the guy who have been left holding the bag. He is the boy who is given the runaround. I know the situation particularly well in London, Ontario. Purchasers in that area were just laughed at when some of these defects developed. I suggested to the manager at that point that some of the contractors who had not been supplying homes up to the specifications should be dropped. However, apparently they were friends of the government, because my suggestion did not appear to be feasible when I broached the subject to him.

I hope the minister will look into the situation in London. I have in mind the Hale-Trafalgar area in the east end of that city. It is a whole new area. Services were laid, levels were established, and the city did its part. But when the homes were built and the city laid the sidewalks according to the levels supplied from their engineering department, it was found that some of the homes were from 7 to 23½ inches below the level of the sidewalks. After one good rain last summer the water backed up in one of those lots until it was within half an inch of the cellar window.

When I brought this matter to the attention of the manager he just laughed about it, but it is no laughing matter so far as these purchasers are concerned. The property to which I have referred depreciated to the extent of a couple of thousand dollars, I would say, because of the condition I have described. Yet the purchaser was in no position to do anything about it. The contractor would do nothing, and neither would Central Mortgage and Housing Corporation. The purchaser was just left holding the bag. I know of another case where the lawn, the sidewalk and the whole driveway were under water, and this after just an ordinary summer rain. What will happen if there is a real downpour or a thaw following freezing is fairly clear; they will have water in their basements.

All this has happened in an area that is high and dry, an area with good drainage. There is no reason in the world why the building could not have been done in a proper manner. I took these problems up with the manager of Central Mortgage and Housing Corporation, but I was just given the royal runaround. One of these properties is at 63 Cornish street, and the other at 32 Stevenson street. If the minister does not believe what I have said he can go down there and look at it himself.

I think the people generally welcome this legislation, but no doubt they are expecting more from it than they are going to get. As the hon. member for Cape Breton South (Mr. Gillis) pointed out, I am afraid the interest rate is so high that it will discourage some of the young people from participating in the scheme.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I find myself in the same position as the hon. member for Brandon-Souris (Mr. Dinsdale), who spoke earlier this evening. I, too, have been vitally interested in this matter over a period of many years. I was therefore happy when I heard the government was going to introduce a new measure on housing. I was immensely pleased when, upon receiving the bill, I read that according to the title it is for the purpose of the construction of new houses, the repair and modernization of existing houses and the improvement of housing and living conditions.

After reading the title of the bill, I read the bill. I was bitterly disappointed. I had expected that this would be one of the major pieces of legislation at this session of parliament, that it would introduce principles that would mean a real upsurge in house construction in Canada. I anticipated that it would introduce new principles that would meet what I think are the three basic requisites at the present time. This is not something that can be postponed for months or years; it is something which must be tackled right now.

The first of these principles would be amendments to the act, or new principles, that would result in a greater impetus in home construction, presented in a way such as to be financially acceptable to those in average and lower income groups. The second would be an effort to see that those who are not in a position now, and perhaps for some time to come will not be in a position, to start owning their own homes, would be enabled to rent homes at low rentals. The third is something which in our estimation is of the utmost importance, and that is through an upsurge of house construction to be able to meet at least in part what is undoubtedly an urgent and severe unemployment situation.

I do not believe, Mr. Speaker, that it is possible to contradict the statement that one type of construction that can do more than any other to activate employment dominion-wide from the Atlantic to the Pacific is house construction. House construction entails the supplying of lumber, cement, sand, everything required in the kitchen, plumbing, heating and the electrical fixtures. If you analyse the requirements of house construction you will find that it affects industry, as I said, over the length and breadth of Canada, and in addition it supplies direct employment to all the services employed in construction.

Although that is a phase of employment, it is tied in with Bill No. 102, because it was my hope that there would be such sections and plans in this government bill as would take care of the unemployment situation. I am greatly disappointed that in my estimation it does not do that, and I can understand why. Today it has been made very definitely clear to hon. members and to the people of Canada that the government does not recognize the seriousness and the urgency of the unemployment situation.

Mr. Studer: More so than the socialists in Saskatchewan.

Mr. Winch: I was very definitely surprised at what I term the apathy of the government toward the situation in Canada. I think it might have been a very good lesson to the Prime Minister (Mr. St. Laurent), who spoke this afternoon, and the members of the government if they had been in Hamilton over the week end and had seen the demonstration by unemployed who met a certain train carrying placards saying there were 12,500 unemployed asking either for work or cash benefits, and corralling the M.P.'s who were on that train and saying, "What are you going to do about it at Ottawa?"

It would be most interesting if the government or the Prime Minister went to our own province of British Columbia where, according to the last figures, we have over 52,000 unemployed, the highest for many years. And, Mr. Speaker, it is not seasonal, as the government would like to try to indicate.

Mr. Speaker: Order. The hon. member will realize that no matter how closely unemployment or employment may be related to construction, we should discuss on this bill the construction of houses and housing conditions in Canada. The hon. member will recall that earlier his own fellow member, the hon. member for Saskatoon (Mr. Knight), opened his remarks by references to unemployment, and carried on after those few remarks made "en passant" to discuss the bill. I should like to hope that the hon. member will now turn to housing and stay on the subject of housing; otherwise I shall have to intervene again, and I am sure he would not want me to do that.

Mr. Winch: Mr. Speaker, as you know I always bow to the will of the Speaker, and I hope of course that my remarks have been noted and that changes will be brought into this housing bill in principle that will help the unemployment situation.

It was my sincere hope that in this bill the government of Canada would have recognized housing needs to the extent which it is apparent, or at least should I say anticipated, that the President of the United States views the matter of housing. I am going to refer

to that, Mr. Speaker, because of the recognition there and because it brings in a principle which should be included in Bill No. 102, namely the method of providing housing by low rental and by subsidy. With your permission, sir, I should like to quote from the New York *Times* of this morning at page C-31:

> President to ask 1 million houses.
>
> Thirty-five thousand would be subsidized—message today to stress aid for lower incomes.
>
> Washington, January 24. President Eisenhower will ask congress tomorrow to liberalize . . .

Will you note that, Mr. Speaker, and through you the government? I continue:

> . . . the government's housing programs to help Americans buy at least 1 million new homes a year.
>
> He will place special emphasis on helping middle and low-income families obtain better housing. Among the proposals will be an experimental program to let low-income families buy inexpensive houses with almost no down payment.

Further on it says:

> Another will be the experimental program to "finance inexpensive homes for lower income families". President Eisenhower was expected to ask for at least $5 million for this.
>
> The program, as outlined by the special advisory committee, would allow low-income families to buy homes costing up to $8,000 on 40-year mortgages with down payments as low as $200. It would also allow families to rent such homes with an option to buy them later if they wished.

It is my hope even yet that the minister who introduced and is directing Bill No. 102 will reconsider the principles of housing in Canada, and perhaps himself recommend to the house an expansion of the bill so as to directly or indirectly—we can discuss that in committee—subsidize low-cost housing and low-rental housing in Canada. It is in my estimation a move that is imperative at the present time if we are to meet the urgency of the housing situation.

I read the bill very carefully and tried as well as I could to understand the principles of the bill on second reading. There are without any question of doubt certain minor improvements in the bill and in its operation, but not fundamentally any basic principles as a brand new act, that is, to meet the housing problem. I fail utterly to see why the government ever brought the bill in at all.

It is only my own opinion, but to me it seems evident that one reason the government has seen fit to introduce the bill in its present form is because of a lessening of mortgage money available from the lending institutions under the previous act. The original source of money is tightening and as a last ditch effort, having some idea of the problem, the present bill is brought in with the hope that the banks of Canada will come through with some mortgage money under this new bill and the necessary amendments to the Bank Act and I presume also to the Bank of Canada Act.

If that is the intent—and I say "if" because I cannot impute motives to the minister—I am inclined to think that the money will not be available unless the interest rate is such that the average citizen, in particular the low-income citizen, who requires a loan will not possibly be able to pay it.

At the present time under the Bank Act the banks of Canada cannot make mortgage loans from their own bank funds, but I think under the trustee act they can lend trust moneys on mortgages. I know of at least one national bank that has been and is now lending millions of dollars on mortgages at 6 per cent. I cannot conceive of a bank which in the past and at the present has been and is lending trust funds on mortgages at 6 per cent accepting an interest rate, even though established by an order in council, that is less than that for loans of depositors' money. I just cannot conceive of that situation.

If we consider what the banks are getting now for lending trust funds, that is 6 per cent, it seems extremely doubtful that the government will be able to get them to advance their depositors' funds at 5¼, 5½ or 5¾ per cent. The government can lay down that rate by order in council but it is in the hands of the banks as to whether they lend the money.

This brings me to what I consider to be a very important phase, that is the matter of interest. I remember an hon. member on the government side saying last week that no hon. member on this side of the house had ever commended the government for anything. He should have checked his *Hansard* before he made that statement, because I remember distinctly that when I spoke in the debate on the address in reply to the speech from the throne I commended the government and the minister who is introducing this bill on the attitude they had taken under the old act with regard to the interest rate if the money was being lent on mortgage to companies established on a non-profit basis to build houses for senior citizens or for others in the same category.

I want to thank the government again because some hon. members forget that if we had not had that kind of help—and I speak for the organization with which I am connected in British Columbia—we would not have been able to construct the number of homes we have for senior citizens and others in the same income group.

Housing is of such importance, and I am certain the minister agrees, that it is not strictly a local or provincial problem. If my information is correct, several provinces of Canada are making direct contributions as grants in aid to non-profit organizations set up under the laws of Canada as companies to construct homes on a self-supporting basis for senior citizens and others in the same category.

Over a period of years British Columbia has contributed in the neighbourhood of one-third of the capital cost. I am subject to correction, but I believe in Saskatchewan it is 20 per cent. I believe in the case of Toronto, in Ontario, they are asking for 5 per cent and I anticipate it will be raised. That is what some of the provinces are doing. Housing is not solely the responsibility of a municipality, a province or a group interested in trying to do something about it; it is a matter of major concern to the federal government.

I was hoping and I still hope that something can be put in this bill to indicate the acceptance at least in principle of direct financial responsibility by the government in the building of the type of homes I have been discussing.

On motion of Mr. Winch the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall begin with the resolution having to do with salaries and indemnities. We shall follow with this debate, and then with the post office amending bill.

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

HOUSE OF COMMONS

Tuesday, January 26, 1954

The house met at 2.30 p.m.

NATURAL GAS

AVAILABILITY OF HISTORY OF DEVELOPMENT IN CANADA

Hon. George Prudham (Minister of Mines and Technical Surveys): A number of hon. members have been making inquiries for information on natural gas development in Canada. Dr. Hume, director general of scientific services in the Department of Mines and Technical Surveys, has just completed a very comprehensive survey of the whole history of gas production and development in Canada, and copies are now available at the department for any hon. members interested.

STEEP ROCK IRON MINES

PROPOSED LINE TO CONNECT ATIKOKAN WITH MAIN CANADIAN PACIFIC LINE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport? My question is supplementary to questions I have asked him earlier about reports that a line of railway might be built from Steep Rock across to the main line of the Canadian Pacific Railway. Has the minister seen the report in Saturday's issue of the Fort William *Daily Times Journal* to the effect that the Chesapeake and Ohio Railway, of which Cyrus Eaton is the chairman of the board, has now applied for authority to build a railway in that area? Has the government any comment to make on this proposed line of railway?

Hon. Lionel Chevrier (Minister of Transport): I have seen the report, and I presumed that what they had in mind was a provincial line which would be operating exclusively in one province and for that reason the application was not directed to the federal government in any sense of the word. But that report is now altogether out of date because I am very pleased to be able to say, after communicating with the president of the Canadian National Railways this morning, that he has informed me that any talk of building that line is now out of the question, and that he and the officers of the Steep Rock iron ore mines have reached a complete agreement as to the method of operation in the future.

Mr. Knowles: Very good.

ARTS, LETTERS AND SCIENCES

CANADA COUNCIL—INQUIRY AS TO PRESENT POSITION

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Prime Minister. Is it still the intention of the government to create a Canada council? If so, can the Prime Minister inform the house as to the current situation regarding such a council?

Right Hon. L. S. St. Laurent (Prime Minister): The current situation is no different from what it was when I answered a similar question put by the hon. member for Winnipeg North Centre (Mr. Knowles) on April 23 and April 27 last. The hon. member will find the answer I made at that time at pages 4430 and 4431 of *Hansard* of April 27. With respect to the intentions of the government, until a decision has been made by the government there is no one who can say what are the intentions of the government. A question with the same implications was put by the hon. member for Winnipeg North Centre as a supplementary question, as follows:

> I take it that as soon as it is possible to secure the personnel the Prime Minister feels would do a good job in fulfilment of this recommendation, the government would be favourable to setting up the council.

I answered:

> If I continue to be responsible for public affairs I shall be only too happy to recommend to my colleagues the establishment of a council as soon as I can put before them a set-up that would appear to be the proper kind.

LABOUR CONDITIONS

STATEMENT WITH RESPECT TO NUMBER OF UNEMPLOYED

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I should like to direct to the Minister of Labour a question based on recent press and radio reports that there are some 500,000 unemployed in Canada. Would the minister care to make a statement regarding this situation?

Labour Conditions

Hon. Milton F. Gregg (Minister of Labour): I want to thank my hon. friend for giving me notice of the question. I think I should say that a somewhat similar question was asked by the hon. member for Hamilton West (Mrs. Fairclough). She asked whether I could give percentages as well as figures. I hope my answer will be sufficient to answer both questions.

In the first place, operational figures are regularly compiled by the national employment service offices throughout the country on the number of applications for employment. There is also a second set of figures compiled each month by the dominion bureau of statistics on the numbers looking for work. This second figure is an estimate based on a sample survey of the labour force including persons both with and without jobs. The survey makes possible an estimate not only of the number of people who are reported as without jobs and seeking work, but also those who are away from work for a variety of reasons such as bad weather and temporary plant shutdowns.

I would like to say that because these two sets of statistics differ this does not mean that the two figures contradict one another or that they are not valuable for their own purposes. As I have indicated, they are produced in quite different ways. Because it is an administrative agency the national employment service figures will always include a number of people who, after registration, have found jobs on their own and have not notified the employment office.

On the other hand, not all unemployed persons register at an employment office. In addition, the national employment service figures of job applicants have some limitations for comparative purposes over a period of years because the coverage of the Unemployment Insurance Act has been extended a number of times in recent years. Also, the number of wage and salaried workers in the country have been steadily growing so that comparisons from one year to another need to be made with these facts in mind.

The labour force survey estimate of those "without jobs and seeking work" does not include, as I have said, a number of people away from work because of bad weather, those temporarily laid off with instructions to return to work within 30 days, or those who have worked at all, even for a few hours, during the survey week. Many of these people will, of course, be eligible for and be claiming unemployment insurance and so will be included in the employment service figures. A further reason for the difference in the two figures is that some persons, when enumerated by the labour force survey, will not be reported as seeking work even though they are registered with the employment service. This can happen either because such persons do not have a very strong current attachment to the labour force, or because of difficulties in the precise classification of some individuals, such as elderly people, married women and persons with employment handicaps.

In an effort to remove as much confusion as possible between these two sets of figures, it was decided a year ago, after this whole question was considered carefully by an interdepartmental committee, to issue both of these figures at the same time with appropriate explanations of each. This release has been issued each month, jointly, by the Department of Labour and the dominion bureau of statistics, since December, 1952. Hon. members will understand that to get out these combined figures involves a great deal of work and the official figures can be released only once a month.

Now, to answer specifically the hon. member for Hamilton West (Mrs. Fairclough) and the hon. member for Kootenay East (Mr. Byrne) more specifically, I shall give the latest figures available in the case of both the labour force survey and the national employment service applications for work together with similar figures for earlier years.

Dominion Bureau of Statistics
Labour Force Survey

	Without Jobs and Seeking Work	Percentage of Labour Force
December 1952	132,000	2·5
December 1953	190,000	3·6
National Employment Service	Applications for Work	
December 1945	187,000	4·2
December 1949	249,000	4·8
December 1952	237,000	4·5
December 1953	338,000	6·4

In case any hon. members are not now receiving the monthly employment press release I shall be pleased to see that they get it promptly.

I hope that answers the question asked by the hon. member for Kootenay East regarding figures that have been quoted outside of this house. I have had prepared in conjunction with the Department of Trade and Commerce a more complete survey of the employment picture. I place myself in your hands, Mr. Speaker, as to whether I should present it to the house in answer to these questions.

Some hon. Members: Carried.

Mr. Speaker: Is it the wish of hon. members that the minister should give a more complete statement on the matter?

Some hon. Members: Yes.

Some hon. Members: Agreed.

Mr. Speaker: It is agreed.

Mr. Gregg: As I stated, this has been prepared in close collaboration with the Department of Trade and Commerce. In considering the current employment situation I would like to point out that 1953 as a whole will stand out as one of the most prosperous years on record. The high level of economic activity during 1952 continued throughout the spring and well into the summer months of 1953.

During the last few months some industries have experienced a decline in output but there is little evidence of any basic weakness in the economy. Over-all levels of income, consumer expenditures and private and public investment have continued at very high levels. In the summer and autumn of 1952 total employment expanded significantly and remained at a relatively high level during the following winter. In the fall of 1953, on the other hand, total employment declined somewhat more than seasonally, although at the beginning of November it still remained close to the high level of the previous year.

With continued growth in the labour force, unemployment has reached a level which is higher than that which prevailed in the fall of 1952. By the 10th of December 1953 applications on file at national employment service offices totalled 338,100, an increase of about 72,000 from the previous month and about 100,000 above that of a year earlier.

There has been a tendency in some quarters to use these statistics as a basis for comparing the current employment situation with that of the winter of 1949-1950. Apart from the fact that the causal factors behind the present situation are quite different from those that prevailed at that time, such as currency devaluation and import restrictions, I would like to make clear that the national employment service statistics in themselves are not a valid means of comparison. The coverage of unemployment insurance has, for instance, been extended since 1949 to cover forestry operations, and some other adjustments in coverage have been made in the intervening years. Secondly, the paid worker group has expanded during this period by about 11 per cent. These adjustments should be made before making comparisons between the two periods.

It should also be remembered that the level of economic activity in Canada at any particular time is conditioned to a marked degree by the wide variations in climate through the year. Winter weather always results in the release of large numbers of workers from certain industries. Seasonal unemployment begins to appear with the completion of the grain harvest in the fall, it rises sharply in December and January, levels off in February and March, and then drops sharply in the spring when outdoor activity begins.

The size of this problem is not always appreciated. In the period 1947-1951 for example, construction employment declined, on the average, by over 80,000 persons between September and January. More than 60,000 persons were released from agriculture while about 45,000 workers were separated by the food and beverage industries.

Employment in sawmilling declined by about 16,000 while the cessation of inland shipping was in large part responsible for a drop of nearly 12,000 persons in water transportation. In the eight industries most susceptible to seasonable declines of this sort, the decline in employment amounted to close to 300,000 persons. The total number released because of climate and seasonal demand is probably much higher than this. However, many of these workers either retire from the labour force during the winter or find alternative employment in other activities, for varying periods, such as pulpwood logging and other winter activities. This seasonal shift in employment patterns does not, therefore, result in an equal increase in unemployment. Nevertheless, it is clear that much of the increase in winter unemployment can be traced to seasonal declines in activity of the type mentioned. Seasonal unemployment is accentuated when offsetting winter activities such as logging fail to expand and when expansion in the manufacturing sector is easing off.

The current unemployment situation is not entirely due to the seasonal factors which I have mentioned although there are indications that the amount of purely seasonal unemployment is greater than in recent years. Other kinds of employment problems do exist in some industries in the economy and these are receiving close and continuing attention. These industries are not operating at capacity employment levels for various reasons. For some, import competition has become keener. This has been particularly true in the case of the clothing, textiles and electrical appliances industries. Others, such as sawmilling, farm implements and certain base metal producers have found world markets becoming increasingly competitive. Forestry operations in eastern Canada are currently proceeding at the low levels of last

winter, partly because of improved technology in forestry operations and partly because of the lumber and pulp markets. In most of these industries, there has been some accumulation of inventories at various levels of production and distribution, and employment in several industries is reflecting the consequent adjustments. The government is not ignoring the problems of these industries which are encountering difficulties in adjusting to a more competitive situation in both the domestic and foreign markets.

Nevertheless, I feel that it would be a mistake to draw a gloomy picture for the economy as a whole solely on the basis of the situation in which certain industries find themselves at the present time.

As my right hon. colleague, the Minister of Trade and Commerce (Mr. Howe), pointed out to you a few weeks ago, 1953 was a remarkably prosperous year by any standard. Consumer expenditures were and are continuing at high levels while the level of overall investment in 1954 is expected to be at 1953 levels, a year in which the volume of construction activity surpassed all expectations. At the same time, while some inventory liquidation is taking place, the level of inventories in general is not so high as to cause undue alarm.

Aside from the difficulties experienced by some industries, there has been a tightening up in many sections of the economy and, as has been the experience of other trading nations, we have gradually moved from a seller's to a buyer's market. Such a change is bound to bring with it both increased emphasis on seasonality in operations and more concern on the part of employers with increasing efficiency. It is reassuring to note, however, that the basic economic strength of the economy continues to be unimpaired.

I would also like to point out that the extended coverage of unemployment insurance during the past few years has made it possible to treat intermittent increases in unemployment more effectively than could be done heretofore. The greater effectiveness of unemployment insurance has been particularly evident during the winter months when supplementary benefit provisions are in force. In February, 1951, for example, active claims were 83 per cent of job applications; by 1953 this proportion had risen to 92 per cent.

At the first sign of unemployment, one usually hears the suggestion that the government should begin a large scale public works program. Public works, in some circumstances, can be a useful way of alleviating unemployment, but they are by no means a cure-all. There are other, and often more effective, ways of maintaining high employment levels, by various fiscal and monetary measures. At present, it seems to me that it would be unwise to embark upon a greatly expanded public works program. The construction industry is one of the most active parts of our economy and with the rate of investment expected to continue high, construction work in 1954 will probably again be at record volume. Also, employment in our seasonal industries will be expanding again sharply in the spring so that by the time any sizeable public works program was under way, it would be competing with private construction of all kinds for skilled labour and materials.

This leaves the problem of what is being done to assist those out of work, whether seasonally unemployed or otherwise. Actually, a great deal is already being done. The extended coverage of unemployment insurance during the last few years, plus the provision of supplementary unemployment insurance benefits during the first 3½ months of each year, has done much to help ease the burden of unemployment. In the first three months of 1953 for example, a total of $63 million was paid out to workers in the form of unemployment insurance benefits. This year benefit payments will be even larger. This sum would not be offsetting income losses due to unemployment were it not for unemployment insurance. Many unemployed workers are also being assisted by family allowance payments and by old age pensions. In addition, the provincial and municipal governments are making social welfare payments which benefit those in need.

As I have said on many occasions in the past, unemployment is a problem which is the concern of all levels of government, federal, provincial and municipal. The unemployment insurance program of the federal government is carrying the major share of the burden at the moment. There is, however, a residual problem and the most effective way of solving it is through the joint efforts of the provincial and municipal governments and of the federal government.

Mrs. Fairclough: Mr. Speaker, may I ask the Minister of Labour a supplementary question? Does he have any figures which would show the present situation with regard to those on temporary lay-off, and does he have any information with regard to those who are on short time?

Mr. Gregg: Yes, we have very good estimates. As my hon. friend will realize, we cannot guarantee the figures, but I would be glad to provide the figures whether in terms

of the over-all figure or in regard to any special industry if my hon. friend would specify the industry.

Mrs. Fairclough: Mr. Speaker, I would ask the minister to give the over-all picture if he has it.

Mr. Knowles: Mr. Speaker, may I ask the Minister of Labour a supplementary question arising in part out of the statement he has just made, and partly out of an item which appeared recently in Arthur Blakely's column in the Montreal *Gazette* and in the Winnipeg *Tribune*. Will the next meeting of the national council on manpower have before it a report recommending ways and means of alleviating seasonal unemployment? If so, how soon will that next meeting be held?

Mr. Gregg: Mr. Speaker, the answer to my hon. friend's question is yes. The manpower advisory committee has a subcommittee which is giving that problem very careful study. I am not able to say when they will be able to make their report to the main committee but I hope it will be before too many months. They are working on it now.

Mr. Knowles: May I ask another supplementary question. If there are worth while recommendations in that report, would the minister not agree it would be a good idea to have these recommendations brought before that council soon?

Mr. Nesbitt: Mr. Speaker, I would like to direct a further supplementary question to the Minister of Labour and if he so wishes he can take note of it and answer the question at some future date. Can he give us any estimate of the number of people who are on short time in the textile industry?

Mr. Gregg: I will take note of that question, Mr. Speaker.

UNITED NATIONS

RECONVENING OF GENERAL ASSEMBLY

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to direct a question to the Prime Minister (Mr. St. Laurent) in the absence of the Secretary of State for External Affairs (Mr. Pearson). Has the government as yet made a decision on the request of Madame Pandit on behalf of India for the reconvening of the United Nations general assembly on February 9? If so, has that decision been transmitted as yet?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker; the matter is still under consideration by the Department of External Affairs who are conferring with other governments about the advisability of having a date fixed for the reconvening of the assembly.

SENATE AND HOUSE OF COMMONS

AMENDMENTS TO INCREASE SALARIES OF SPEAKERS AND DEPUTY SPEAKER, SESSIONAL ALLOWANCES OF MEMBERS, ETC.

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce measures to amend

(a) the Senate and House of Commons Act to increase the salaries of the Speakers and the Deputy Speaker, the sessional allowances of members of the Senate and of the House of Commons and the annual allowances of the members occupying the recognized positions of leader of the government in the Senate, leader of the opposition in the Senate and Leader of the Opposition in the House of Commons;

(b) the Salaries Act to increase the salaries of ministers mentioned in sections 4 and 5 thereof, substituting for the Minister of Resources and Development, the Minister of Northern Affairs and National Resources and adding thereto the Associate Minister of National Defence.

Mr. Speaker: Is it agreed that I do now leave the chair for the house to resolve itself into committee of the whole upon this resolution?

Some hon. Members: Agreed.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I move, seconded by the hon. member for Prince Albert (Mr. Diefenbaker):

That this item be not now considered but that its consideration be postponed so that the subject matter thereof may be referred, for inquiry and report, to a royal commission to be appointed by the government.

Mr. Speaker: I must inform the Leader of the Opposition (Mr. Drew) that I cannot receive the motion because it is not in order at this stage.

Mr. Fulton: Mr. Speaker, before you make a ruling—

Mr. Speaker: Order. The motion which is now before the house is merely a procedural motion to submit to the house the subject matter of the resolution so that the committee of the whole will consider the advisability of making the expenditure contemplated by the resolution. We are not acting on a mere fancy. We are acting on an order of the house which was made a few days ago.

A notice of resolution appeared in the *Votes and Proceedings* that the house would at its next sitting go into committee of the whole for the purpose of considering the

advisability of making the expenditure contemplated here. The day has arrived. The government has announced that the motion will be called today, and therefore there is no other course for the house to follow than to study this matter in committee of the whole. Later, after the bill is introduced and second reading has taken place, if a committal is to take place, I would imagine that at that time it might be in order to commit the bill to a commission or to a committee. But as the matter stands now, as I look at it, I do not think that this motion is acceptable.

If the hon. member for Kamloops (Mr. Fulton) wishes to speak on the point of order that I have raised, I am quite prepared to hear him.

Mr. Fulton: Thank you, Mr. Speaker. For my authority I refer to Bourinot, fourth edition, page 512. I base my argument—did somebody make some comment?

Some hon. Members: Go ahead.

Mr. Fulton: I base my argument on the point that you have just mentioned, Mr. Speaker, that what is now before us is merely a previous decision of this house that this resolution will be considered in committee of the whole at a later stage. As I understood it, Your Honour has said that that position having been taken by the house on a previous date, the matter is not now open for further consideration.

May I say at once that I recognize that, under a ruling given by Mr. Speaker Macdonald in, I think, the last session before the election, these resolutions are not debatable with Your Honour in the chair. I am not for a moment going to suggest that the resolution is debatable. However, I am suggesting and arguing that the motion now made is susceptible of amendment and that an amendment can be put forward without debate.

I base my argument on the authority of Bourinot at the page to which I have already referred and on the similarity of this proceeding to the proceedings in connection with consideration of the bill. When a bill has been read a second time, the order then is that it be considered in committee of the whole. Your Honour then puts the motion: Is it agreed that I do now leave the chair for the house to resolve itself into committee of the whole upon the said bill? What is happening here is that Your Honour is putting the motion that Your Honour leave the chair for the house to go into committee of the whole on the said resolution. I therefore submit that the procedures in both cases are exactly similar. If you refer to page 512 of Bourinot, Your Honour will see the following passage:

> When the order of the day for committee has been reached and called in due form—

That is exactly what we have here. The order of the day for committee has been reached and called in due form.

> —the Speaker will put the question, "That I do now leave the chair".

The citation continues:

> Now is the time to move any amendment to this question. Members opposed to the bill may move that the house resolve itself into committee on the bill that day three or six months; or may propose motions adverse to the principle or policy of the measure.

I submit that Your Honour has put the question, "'That I do now leave the chair' for the house to go into committee on the resolution." It is agreed that the motion is not debatable. On the authority which I now cite, however, I submit that the motion is susceptible of amendment exactly as stated in Bourinot. Members opposed may move that the house resolve itself into committee at a later date or may propose motions adverse to the principle or policy of the measure.

The Leader of the Opposition (Mr. Drew) has proposed a motion that, instead of the house going into committee at this time, consideration of the resolution be postponed until the matter has been referred to a royal commission for its consideration and report back to the house. While neither this motion nor the amendment is debatable, I submit that it is clearly in order to submit such an amendment, to put it without debate, and that then Your Honour must call the question upon the amendment.

Mr. Drew: Mr. Speaker, before you make your decision may I point out that only a few days ago, when the item was called dealing with the introduction of legislation affecting the Post Office Department, a vote was asked for immediately, Your Honour permitted that vote, and a recorded vote was taken. If nothing is before the house except that we go into committee to consider what is before us, I submit that there could have been no occasion for a recorded vote at that time to decide whether we should or should not go into committee. The procedure of this house is an ever-changing form that is moulded by the decisions here from day to day. By permitting the recorded vote only a few days ago, on the motion to introduce legislation affecting the Post Office Department, Your Honour at that time accepted the

proposition that something can and does happen between the calling of the item and the consideration of the resolution by the committee. On that basis I submit that it is quite proper that a motion now be presented to defer consideration of the item until a royal commission can be appointed and can make its appropriate report.

Mr. Speaker: The Leader of the Opposition will recall that at a certain period in the past these money resolutions, which had not been debatable, became debatable. That was the difficulty that confronted Mr. Speaker Macdonald when he decided that these money resolutions should not be debatable. I have here his ruling which appears in the *Votes and Proceedings* of March 26, 1953, and in *Hansard* of March 26, 1953, at pages 3293 and 3294. I should like to draw to the attention of hon. members the concluding paragraph of Mr. Speaker Macdonald's ruling, in which he said:

> Accordingly in future once the house has decided that the Speaker will leave the chair at the next sitting of the house to resolve itself into committee of the whole to consider a resolution I will put the motion when the order is called, but the motion will not be debatable—

Here I would submit to hon. members that it is a good principle of procedure that whatever is not debatable is not amendable. How can you introduce an amendment if you are not allowed to debate the question? I continue:

> —although members will have the right to vote thereon.

This is where I join with the view of the Leader of the Opposition when he says that the other day I allowed a vote. That is quite normal and exactly in accordance with the ruling I have just quoted. Whenever the order is called I put the motion: Is it agreed that I do now leave the chair for the house to resolve itself into committee of the whole upon this resolution? If an hon. member says "No" then I do exactly as I did at the request of of the hon. member for Winnipeg North Centre the other day. I say: "Those who are in favour of the motion will please say yea; those who are opposed will please say nay." If five members rise I then say: "Call in the members."

I am quite prepared to do so today just as I did in response to the request of the hon. member for Winnipeg North Centre. I am not acting today in any different manner from that which I adopted the last time. If the hon. member does not want the motion to be considered now he will probably reach the same objective by asking for a vote and voting against the motion. If the vote were carried in the negative the motion would not disappear from the order paper but would have to be called on some other day.

I hope I have made myself clear. The procedure relating to public bills is one that is provided for by standing orders. But when the hon. member for Kamloops contends that the procedure as to resolutions is the same as that which is to be adopted with respect to public bills I beg to disagree with him, and I should like to refer him to standing order 75 which reads as follows:

> Every public bill shall be read twice in the house before committal or amendment.

That is the rule as far as public bills are concerned, but there is no such rule with respect to resolutions. This resolution, as I say, is one that appeared in *Votes and Proceedings*. It was called on the orders of the day and the order of the house was that at the next sitting the house should go into committee of the whole to consider it. As hon. members know, the government may call its business as it sees fit. Standing order 17, subparagraph 2, reads as follows:

> Whenever government business has precedence, government orders may be called in such sequence as the government may think fit.

The acting leader of the house announced that this matter would be proceeded with this afternoon. The orders of the day were being called and the deputy clerk read the order. At this stage, after I put the motion that I do now leave the chair for the house to resolve itself into committee of the whole, the only proceeding which can take place is for hon. members to ask for a vote. Then I will ask for the yeas and nays and give my opinion as to whether the nays or the yeas have it. Therefore hon. members will realize that I cannot accept the amendment.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. St. Laurent: Mr. Chairman, this resolution proposes that the Senate and the House of Commons Act be amended to increase the indemnities paid to members of parliament, the salaries of the Speakers of the two houses of parliament, of the Deputy Speaker, of the leaders in the Senate and of the Leader of the Opposition, and that the Salaries Act also be amended to increase the salaries of ministers of the crown. It is intended, if the resolution is approved by the house, to introduce separate bills to amend each of the statutes concerned.

Before giving the reasons why the government decided to recommend these increases, I should like to say a word about what I think

is the purpose of the parliamentary indemnity. It was never intended, and it is not now intended, that members of parliament should be salaried servants of the state. Members of parliament are representatives—that is true of members of both houses of parliament —and, to be truly representative, it is desirable that they should be drawn from a wide variety of occupations and walks of life and that they should be able to retain, while they are members of parliament, their connection with the occupation or walk of life and the area from which they were chosen to be representatives in parliament.

It is obvious, however, that if members must regularly expect to be absent from their homes or their ordinary place of residence for about six months in each year, and in some years even longer, few members can expect to derive from their normal occupations at home the income they would otherwise have.

Moreover, attendance at parliament makes it necessary for most members of parliament, those who do not habitually live in Ottawa, to provide themselves with a place to live in at Ottawa for a substantial part of each year in addition to their ordinary home residence, and with anything approaching the length of the sessions in recent years many members want to have their families with them in Ottawa and must have them with them if they are to have any family life at all. This, I happen to know, is of especial concern to members with young families and to members whose ordinary place of residence is at a long distance from Ottawa.

Then, too, it has always been considered important that members should have sufficient income to enable them and their families to live decently without having to worry about going into debt or being otherwise subject to embarrassments which might affect their objective approach to matters with which parliament has to deal in the interests of the nation. The purpose of the indemnity, therefore, seems to be to compensate members to a certain extent for the loss of ordinary income, to meet the additional and necessary expense of maintaining two places to live in and to help them to preserve their complete independence and objectivity in dealing with public affairs.

While membership in parliament should not be, and should not be regarded as being, a full-time occupation, it is essential that members should be able, without a too embarrassing loss of income, to attend the sessions of parliament for as long as sessions are necessary to meet the public needs, and at any time of the year that sessions may be really required in the public interest.

However much we may be able to improve the rules, I am sure we are all agreed that the normal annual session of parliament will in future continue to be much longer than the session extending over sixty-five days with fifty sitting days which the statute apparently contemplated and which it now provides for. It was my experience, and I am sure it was the experience of the opposition and the leaders of other groups opposite, that there are an increasing number of persons apt to make suitable and even distinguished members of this house who just cannot accept being candidates, because they feel that the present indemnities are not sufficient to enable them to support their families as they feel they can or as they feel they should support them. I know as a fact that in the last parliament, and I am sure it is also true in this one, a good many members found that even after reducing their previous standards of living quite substantially they could no longer make ends meet and they had to incur debts in spite of their modest scale of living.

Now, I cannot believe that the people of a country as great and as rich as Canada has now become really want that condition to continue, which makes it difficult for any but the fairly well to do to serve in the national parliament without having to make substantial financial sacrifices. These sacrifices sometimes amount to real hardship. Certainly such a condition would not make for truly democratic representation in parliament which the people of this country want.

My colleagues and I came to the conclusion that this problem should be tackled from two angles, and that was the reason why I stated in the national broadcast I made from Vancouver on July 9 of last year that it was our policy "to seek appropriate amendments to the rules of parliament with a view to ensuring speedier and more orderly conduct of the nation's business without any abridgement of the rights of the opposition or of any minority to give expression to its views. We believe that if men and women of ability are to continue to be attracted to public life some way must be found to reduce the length of some of the debates in parliament, and to make the conditions of membership less burdensome than they have become in recent years."

There is no question that if we can shorten the sessions, without neglecting in any way the interests of those we are sent here to represent, the burden and expense in parliament will be somewhat reduced. But I do not believe anyone seriously believes that the sessions can be sufficiently reduced in length

to make the present rate of indemnity adequate to cover the purposes to which I have referred.

It is true that in 1945 provision was made by parliament for an expense allowance of $2,000 which, in the case of the members of this house except ministers and the leader of the opposition, is not subject to income tax. That allowance was, however, intended to enable members to defray the multiplicity of out of pocket costs of visiting and representing their constituencies which no member can escape if he is to perform the proper functions expected of a parliamentary representative. It is not proposed at this time to make any change in the rate of that expense allowance.

The basic indemnity for attending the sessions has not been changed for over 30 years. It was fixed at $4,000 in 1920. In that long period the indemnity of members of parliament has lost its proper relationship with almost all other forms of compensation and with prices and costs and, we must admit it, has been considerably diminished by the high levels of direct taxation which are necessary under present-day conditions. Indemnities of members of most provincial legislatures, and of the national parliaments or legislatures of most countries comparable with Canada, have been increased to a point where ours suffer very much by comparison with the ratio that existed a generation ago.

The increase now proposed will certainly not do more than restore the relative proportions that existed 30 years ago. We are recommending that the indemnity be increased from $4,000 to $8,000 and at the same time it is proposed to change the basis of payment so as to end the situation which now exists whereby it is possible for members to receive two indemnities in a single year if it happens to be necessary to have two sessions of parliament.

It is the view of the government that the new indemnity should be high enough to compensate members for attending parliament on as many occasions and for as long a time as may be necessary to look after the interests of the public. We think it is bad for the prestige of parliament to leave any room for the suggestion that additional sessions, which are sometimes necessary in the best interests of the public, are, in fact, being held to increase the remuneration of members. We know, of course, that such is not the case but it is undesirable to leave any occasion for that kind of suggestion.

After careful consideration of all the alternatives, it seemed to us that the simplest method of making this change was to provide that the indemnity should be paid in 12 monthly instalments in each year. It was represented to us that such an arrangement would meet the personal convenience of members in arranging their own budgets. For this parliament the 12-month period will start from the first day of this session, and the monthly payments will be practically the same as they are under the present law up to the end of the session. Then, instead of the unpaid balance being paid out immediately, it will be spread over the remaining months of the 12-month period. No further indemnity will start to accrue until November 12, 1954.

I want to emphasize, however, that the change in the basis of payment is not meant to change the character of the indemnity. It is still intended to be compensation to members for attending the sittings of parliament, and not a salary for being members of parliament. The provisions for the appropriate deductions for absences for other than accepted reasons will remain in effect.

I turn now to the second proposal in the resolution which is that the salaries of ministers of the crown and of the Speakers and leaders in the houses of parliament should be increased. These salaries have not been altered since 1920. This fact, in itself, is perhaps all the argument needed to explain why an increase in salaries might be justified at this time. I do not think anyone would question the statement that ministers of the crown have full-time jobs of an exacting character, with heavy responsibilities. Under our constitutional system, the same is true of the position of the leader of the official opposition.

I doubt if anyone who occupies one of these positions expects the remuneration to be comparable with the rewards open to persons of equal ability in private life, either in business or in the professions. I am sure no one expects, either, that the contrast will be too great. The increase proposed for ministers of the crown and the Leader of the Opposition is $5,000 a year. This would be provided under the bill to amend the Salaries Act, which would contain a provision that it would not come into force until the end of the present fiscal year, April 1, 1954. Since ministers will also receive sessional indemnities and the annual expense allowance for members of parliament, this will mean that their total annual remuneration will be $25,000, all of which will be subject to income tax. They will continue also to have to provide their own cars to get about and to receive $2,000 instead of having the use of car service provided by the government before 1931. This seems to be still a most modest amount compared with the salaries and earnings of most

Canadians with senior executive positions in business or in the higher reaches of the professions.

There is another reason, perhaps not an important one, but still one that is worthy of some consideration, for increasing the remuneration of ministers. In the nature of things a reasonable relationship must be maintained between the remuneration of ministers and the salaries of the senior public servants. For several years past the government has been finding it increasingly difficult to provide salaries for senior public servants which will enable them to resist the inducements which are offered to many of them in other fields, and which they have been under great pressure to accept.

The recommendation also proposes that the salary of the Prime Minister shall be increased by $10,000. I must admit that I was reluctant to have that included in the suggestion that I was going to have to bring to parliament. I was reluctant to have it suggested that the differential between the remuneration of the Prime Minister and that of the other ministers should be widened, should be increased; but my colleagues were insistent that any smaller increase would not preserve a proper relationship. I am not so sure about that, because I know what my colleagues have to do, and I know what I have to do, too. Of course, these matters are not apt to be dealt with again for some time. It is 33 years or more since they were dealt with last.

It was pointed out that it would be less than fair to future holders of that office to have to make for them a change which was not felt to be the right thing to do at this time. Well, I felt I had reached an age where it was my duty to look on this matter as I would look at it if I were not the Prime Minister at the present time, and to take my share of responsibility in recommending an increase that was felt to be justified.

As I said before, these increases would not become effective until the beginning of the next fiscal year, April 1, 1954. We felt it was very desirable to have no possible suggestion that there was going to be anything retroactive in this. The starting of the new system from the first day of the session will mean that the monthly payments will be just about the same as they would be under the existing law, and that the only real difference will be postponing the paying out of the balance during any monthly instalment for the rest of the twelve-month period.

Of course, under our constitutional practice it is the exclusive responsibility of ministers of the crown to recommend expenditures, and my colleagues and I are not seeking to escape that responsibility in making these recommendations. Hon. members will appreciate, however, that these recommendations, which affect all of us in parliament personally and directly, present an unusual situation. All of us feel reluctance to do for ourselves what we would not hesitate to do for others. However, all of us have a duty to consider first what is advisable in the interest of upholding and strengthening our democratic parliamentary institutions, and I ask every hon. member on both sides of the house to put aside all personal or partisan considerations and to approach the consideration of this resolution and the consequent legislation in an objective spirit, and deal with it not because of the way in which it may affect him personally, but in the way in which he honestly believes will be in the best interests of our Canadian parliamentary institutions.

I would say to hon. members on this side of the house that if they honestly believe these increases are not in the long run to be in the best interests of our democratic institutions, they should not feel that because I am the one recommending them at this time they should submit their judgment to mine. These matters should be dealt with exclusively on the ground that the opinion expressed by each individual member will be his opinion as to what will really in the long run serve the interests of the Canadian people whom members of parliament are here to represent.

Mr. Drew: Mr. Chairman, with most of the observations that the Prime Minister has made there will be general agreement in this house. Without in any way reviewing what already has taken place, we indicated a desire to follow another course. Might I say to those who indicated some hilarity about the fact that the committee procedure was not opposed that the ruling of the Speaker was that the only question before the house then was whether the Speaker should leave the chair. The Speaker has left the chair, and in committee we are discussing a resolution which says it is expedient to introduce measures to do certain things.

The Prime Minister has reviewed these things which it is intended to deal with. He has devoted some considerable time to an analysis of the position in which members of parliament now find themselves because of the greatly increased cost of living and the greatly lengthened sessions of parliament. He has indicated his belief that it is unlikely there will be a substantial reduction in the length of the session, I am sure there is general agreement that the efficiency and the dignity of parliament, and the respect of the

people of Canada for the parliament which passes the laws that affect their daily lives, do call for a recognition of the fact that it will not be possible to obtain the service of members of parliament unless the indemnity or allowance—call it what you will—has some relationship to the sacrifice that is made by their separating themselves from their ordinary place of residence, and in many instances from their families.

The Prime Minister has said that whatever indemnity or allowance is approved should not be regarded as a full-time salary. He has expressed his belief—and I think there will be agreement with the belief—that it is important that members retain their contacts with their own constituents, and that the value of their service was constantly increased and refreshed by contacts they were able to maintain with their own constituents and the people whom they serve in their own constituencies.

On the definition he has given regarding the attitude we should take toward indemnities and allowances of this kind there will not be debate. I think there will probably be agreement on the part of every member that it is most desirable that members be drawn from the widest possible variety of skills and occupations. May I say also drawn not just from a variety of those who make up the population of this country but also from the two sexes. We are doing our best on this side and we hope that the number of lady members of parliament will be increased. Possibly the recognition of the expenses to which lady members are put in the establishment of living quarters here will have some bearing on the number that may be able to offer themselves as candidates in coming elections.

There certainly will be no disagreement about the fact that members should be able to have their families with them when they are here. There certainly will be no disagreement about the fact that every hon. member of this house should be able to maintain those amenities that may be open to any hon. member. Undoubtedly the quality of service and the approach to the problems that confront us will be moulded and shaped in some substantial measure by the extent to which hon. members are able to retain their constant association with those family contacts that mean so much to every one of us. I am sure that all that is agreed upon.

Then the point is raised as to what the compensation should be. It is not a salary in the sense of a full-time salary and it is not intended to be income in the ordinary sense. There is a point that arises and a question that cannot be easily dismissed. It is a question which has engaged the attention of those who have been called upon to consider this subject on earlier occasions. Agreeing upon the definition of the payment and agreeing upon the general approach to this problem, we are all confronted with the question: What is the appropriate amount?

At that point we are compelled to ask ourselves: How are these figures arrived at? There may be perhaps a greater tendency on the other side to agree in the omniscience of the government without any supporting evidence than there would be on this side. The conviction that an indemnity or allowance should be added, the conviction that the kind of parliament that the people of Canada want may be helped greatly by payments that will attract all who would be willing to offer themselves, does not in itself answer that question.

On other occasions it was regarded as advisable that some steps be taken to find out what would be appropriate. I notice the Prime Minister referred to the words which he used in Vancouver in July of last year in regard to the intention of the government to take steps which would facilitate the procedure in this house and in that way make it possible for members of parliament to give more effective service. I did not notice any word in the quotation he mentioned which suggested that it was the intention of the government to make this increase in the indemnities or allowances. I do not think it would be desirable that anybody be under a misapprehension that the quotation which has been placed on the record was intended to place before the people that this subject was embraced by those words.

As the Prime Minister has pointed out, we have been told that it is not intended to change the $2,000 payment which was provided in 1945. May I read the words of the then prime minister, Mr. King, when he presented for second reading the bill which dealt with this subject:

> The principle of this bill is to provide an allowance of $2,000 a year to members of parliament to enable them to defray expenses incidental to their calling as members. It provides that deductions shall be made from this amount on the basis of non-attendance of members. It also provides in the case of ministers of the crown, senators, and the hon. the leader of the opposition, that the allowance shall be regarded as taxable income. That is the extent of the measure.

It will be seen that while this was not subject to income tax in the case of hon. members of the house, it was subject to taxation in the case of ministers of the crown,

leaders of the opposition in the House of Commons and the Senate and of members of the Senate. That very fact indicated that this was not some reserved amount and that that decision that it should not be taxable was related to the way in which it was paid and the total amount being received. Therefore the question arises in the mind of every hon. member: If there is to be an increase in the indemnity such as is proposed, should this part be exempt from taxation in any case? There are a great many Canadians who do believe that the indemnities should be increased, who want to make sure that those who serve the public in parliament are not called upon to make too great a sacrifice, but who nevertheless would be inclined to think that it would be a very healthy thing if every cent we received were subject to taxation.

Whether that contention is right or not there are a great many people who have already indicated their opinion to the effect that those who are assuming responsibility for the taxation of the people should themselves be fully conscious of the impact of that taxation on whatever they are paid. That may or may not be sound argument, but at least it should be possible to explore this in the way any matters of that kind can be explored, and the reasons for and against fully examined and consideration given as to whether a larger payment, if it is to be provided, should not be fully taxable so that there is before every hon. member of this house and of parliament a full consciousness of the impact of taxation upon the money that is received.

At least we can say this, that it is quite certain the voters of Canada would not approve a complete exemption. If they do approve of some exemption, then at what point do they think that exemption should begin? These are things that certainly call for some consideration.

The Prime Minister has said that the basic allowance of $4,000 has not been changed for thirty years. On the one hand that would seem to be a very cogent argument in support of the contention that something be done in view of the greatly changed value of the dollar in that length of time, and the greatly increased length of the sessions of this parliament. It also suggests that, if this figure has stood for thirty years, a few weeks or a few months more will not be unreasonable in arriving at a correct and sound decision as to what should be done in this particular case.

The Prime Minister has said that the government thinks it would be bad for the prestige of parliament if there were any possibility of the suggestion that two sessions be held for the purpose of giving a higher indemnity. I am sure the Prime Minister will be the first to recall that I used this argument on an earlier occasion to express objection to the calling of special sessions which produced that result. Most certainly I agree with that statement. Most certainly I agree that whatever indemnity is paid, it should be an indemnity that is paid for a continuous session that will permit the conduct of all the public business of Canada without the possibility of some additional amount being paid under any circumstances that could bring parliament under possible suspicion of seeking to improve its own position. I was going to use another expression but I will satisfy myself with "improve its own position".

It can be said, and said very properly, that no one is taken by surprise by the introduction of this measure. Steps to increase the indemnity or allowances to members have been under consideration for some time and have been openly discussed and, shall I say, somewhat vigorously promoted. This has found its way into the press and may I say that the reports I have read have correctly interpreted the discussion that I believe has taken place. There is no surprise in regard to that. But, Mr. Chairman, I do not recall the discussion of some of these other subjects that are brought forward at this time. The discussion has related to the increase in the indemnity or allowances to members and there has been a great deal of interest shown in that subject, as members on the opposite side are well aware. I have not attempted in any way to leave the impression that there is not a general belief that indemnity and allowances should be adequate, when we decide what adequate is. That is something we should determine.

Let us remember that no hon. member can satisfy himself he is dealing with this by the same standards we would apply to ordinary legislation if he is prepared to deal with the whole subject matter of this resolution simply because he believes that the indemnity to hon. members is proper or otherwise. This resolution is a rolled-up package. This is not just a single question of indemnity to members. This rolled-up package is an interesting grab-bag and there are a number of interesting features to it. When we open the package we find that it deals with the indemnity of hon. members which has been discussed so frequently and, may I say, with a very high degree of understanding between members on both sides of the house. When I say understanding I mean understanding of the

problems, because there is one point I wish to make quite clear, Mr. Chairman. There has been no consultation in regard to this measure.

The Prime Minister very properly and very frankly has stated that the government has accepted responsibility for making this decision. But there was no prior discussion as to the wisdom of this course or the procedure to be followed. Therefore, we must examine this on the basis that the government, having accepted the responsibility of presenting this resolution and proposing legislation of this kind, is placing the duty upon hon. members of considering at this time, first, whether it is expedient that the legislation be introduced, and, second, of considering at a later date how to deal with the legislation itself if this resolution is passed. The first thing that we find—

Mr. St. Laurent: I wonder if the Leader of the Opposition would just permit me to say this. I would not like him to leave any impression from his remarks that I have been discourteous either to him or to the leaders of the other parties.

Mr. Drew: No, no.

Mr. St. Laurent: I informed them of what responsibility we were taking and in doing so I did not ask them to make any kind of commitment because I realized that we had to take full responsibility for bringing the matter for decision before parliament. I did wish to do them the courtesy of telling them what responsibility we had decided to take.

Mr. Drew: Mr. Chairman, there was no suggestion on my part of any discourtesy.

Mr. St. Laurent: I know, but I would not wish anyone to think that there might be some kind of a suggestion to that effect. I know the Leader of the Opposition did not wish to make that suggestion.

Mr. Drew: There was no suggestion on my part of any discourtesy on the part of the Prime Minister, but since the point has been raised I wish to keep the record quite clear. The first I knew of this, and this is no suggestion of discourtesy, was when the Prime Minister said the government took full responsibility. The first I heard of it was the day after the government had made its decision and the Prime Minister asked me to meet him in his office just before this motion was to be presented to the house and he informed me what the government intended to do. There was no consultation either as to the method or content of this resolution, and I mention that so there will be no misunderstanding on the other side or any suggestion that we at any time, by implication or otherwise, either approved or had an opportunity to approve of the procedure that is being followed or the details that have been given to us. In fact, I again emphasize the fact that the Prime Minister did take the position he has explained. He said to me that he would not expect me to express my opinion but that he was simply informing me of the decision for which the government took full responsibility.

The second subject that we find in this rolled-up package is indemnities for members of the Senate. Are the members of the committee fully informed as to the expenses of the members of the Senate and as to the difficulty of obtaining candidates for appointment to the Senate? I confess that I have heard no suggestion of great difficulty in obtaining members of the other house, even at the figure now being paid. I only mention this point because these, after all, are things that have to be borne in mind in deciding what is appropriate.

The next subject we find in this rolled-up package is the increase to the members of the government. We have been informed that this is to be an increase of $5,000. No matter what views may be held in any other part of the house, the Prime Minister has indicated his belief in our constitutional system and has continued a long recognition of the position of the Leader of the Opposition in the Senate and the Leader of the Opposition in the House of Commons and to whoever may occupy those positions from time to time has applied whatever proposal is made.

This resolution still further deals with the Speaker and the Deputy Speaker and it also provides for retroactive payments. This is quite a collection of things that we find in this rolled-up package. No; we are not just dealing with this single question of the indemnity to members. Surely no hon. member of this committee is going to go blindly ahead and make a grab for the whole thing just because he believes that part of it is right. After all in dealing with a resolution which says that it is expedient that certain things be done, as members of the House of Commons we have a responsibility to know that it is expedient. We also shall have a responsibility, when the bill is before us, to know that the contents of that bill contain figures and results which are in keeping with the situation fully examined by the measures that are provided under our parliamentary system. Therefore the modest conviction of any hon. member that he is fully entitled to the compensation provided for a member of parliament is not in itself sufficient argument to carry with it all the rest of these things

unless we have convincing supporting arguments that justify so wide and sweeping a change.

In so far as parliament is concerned may I say that, while I may not have heard of the difficulty of obtaining members for the other house, I do not wish any remark I may make to convey any suggestion of reflection upon the dignity of that body. In the House of Commons on a number of occasions I have expressed my own belief that the Senate has an important place in our parliamentary system and that long ago there should have been a reform that would make it possible for it to carry out its duties. But, Mr. Chairman, this is not something that is dealt with for the first time today. It was dealt with a few years ago in Britain, where a similar system is in operation. There a select committee was set up and it conducted extended inquiries. A great deal of evidence was heard. Prior to the hearing of that evidence questionnaires had been submitted not only to the members of parliament but also to others who could give appropriate information about the cost of maintaining living quarters, transportation costs and also about some of the problems of obtaining candidates for membership in parliament itself. After extended inquiry, that select committee brought in a report in March, 1946. Its first recommendation was:

(a) The salaries of members should be increased to £1,000 a year, of which £500 should be allowed to all members as an expense allowance free of income tax.

That was the first of several recommendations. I mention that first recommendation for this reason. It will be seen that there is no arbitrary division which suggests that $2,000 would be the exactly appropriate amount in relation to the $8,000 that is payable under another provision, any more than it was a specially designated proportion of the $4,000 that had been received for some thirty years. Rightly or wrongly, in Britain it was suggested that half of the total amount received be exempt. I do not mention this by way of supporting that figure as a fraction. What I mention it for is to suggest that it indicates that there may be a good deal of difference of opinion and that this was the result of extended inquiry. After inquiry it might be that the decision would be that no part of it should be exempt from income tax. At the moment that would be my own thought as to the likely conclusion that would be reached. But when we consider the dignity of parliament, even having in mind the fact that living costs are lower in Britain, may I suggest that in Britain it has been possible to retain the dignity of parliament fairly well on what corresponds to $2,800 a year.

I am not suggesting that that is an appropriate amount. I am not suggesting that the great service performed by members of parliament in Britain is adequately taken care of by that amount. I am only saying that the dignity of parliament seems to have been well retained with an amount much smaller than that now placed before us. What I am saying at this point is that obviously the matter calls for some consideration.

It will also be recalled that in the United States a commission was appointed to consider the question of allowances to members of congress. There the tendency was the other way. There the figures recommended were far beyond what we would be likely to consider here. I merely put forward that thought again to say that there is no dogmatic rule by which you can arrive at the figure that should be paid. In fact, in considering this rolled-up package, I think we all must ask where the figures were obtained from, how they were arrived at, and just exactly how we believe that the present situation would justify a decision of this kind without the same type of examination as that upon which we would insist if we were dealing with any similar money bill.

Let those hon. members who seemed to brush aside the suggestion that the subject matter of this resolution be placed before a royal commission remember that we have had a number of money bills and measures of that kind before us and that the conviction has been fairly uniformly expressed in the house that before we decide upon measures of that kind inquiries should be made and evidence should be heard in order to assure members full knowledge before they commit themselves to such expenditures. If that is sound in the case of money bills affecting other people it is ten times as sound when it affects payments to ourselves decided by this parliament.

Again, may I point out that the Prime Minister has emphasized that it is thirty years since there was a change. Since it has been so long we urge that this measure stand and that before we proceed with it a royal commission should hear evidence and make recommendations. I suggest a royal commission instead of a select committee for a definite reason. After all, these payments embrace not only members of parliament but also members of the Senate, members of the government, the leaders of the opposition, the Speaker and the Deputy Speaker. The resolution covers a number of subjects which call for examination and which affect members personally.

I am suggesting a royal commission because a royal commission would remove the suggestion that might be made in the case of a select committee composed of members of various parties in the house, namely, that it was making its recommendations from the point of view of personal consideration. I agree with what the Prime Minister said about doing everything we can to elevate the dignity of parliament and to extend and justify the respect of our people for the institution of parliament. I submit with the utmost earnestness that this is a case where a royal commission can perform an extremely useful service. I submit that it is exactly the kind of problem where a royal commission would be desirable. Let it hear evidence from members and others and then make its recommendations as to what would be appropriate.

May I anticipate any suggestion that this would be a derogation from the responsibility of parliament by pointing out that no royal commission can legislate anything. A royal commission can simply examine the evidence and then make recommendations which would come before parliament. It would then be for parliament, on the basis of those recommendations, to reject or to adopt in whole or in part anything put forward by the royal commission. Nevertheless we would have that kind of objective examination of the problem which it might be very difficult to assure by appointing a joint committee.

What is even more important, assuming that a committee would be objective—and I would express my own belief that members of this house would approach the matter in an objective manner—nevertheless the public would be assured that, when the figures came before the house for its consideration, this was something in which members of parliament themselves had had no part.

The Prime Minister has spoken about increased expenses and the increased length of sessions of parliament. Here is a consideration that I think perhaps calls for attention. In this tremendous country of ours a question arises as to whether the financial sacrifice is not greater when people live a long distance from parliament. I am not putting this forward as an expression of what I think should be done but simply as an example of one of those things which should call for some consideration. The Prime Minister has said that if we are going to have the kind of service in the house that the people have a right to expect, and particularly from members of the government, who do carry a heavy burden, we must remember the high salaries paid to executives in business. That is undoubtedly so. We should remember that there is a general belief, and I think it is a belief largely shared by people of every occupation, that reasonably high salaries in return for highly efficient administration do provide satisfactory results for everybody, not only for the person who receives the high remuneration.

There is an increasing belief in industry that where there is a highly efficient industrial organization it is economic to pay large salaries to get the very best executives possible. But, Mr. Chairman, that proposition presupposes an efficient business organization. I do not think you will ever hear the suggestion made that you are going to make an inefficient business efficient simply by paying high salaries. I think that the two go hand in hand. At this point I would recall, without any reflection on the good faith or earnestness of those who serve in different cabinet positions, that over and over again we have urged that there be an examination of the whole organization and set-up of government so that there may be applied to the organization of government the same procedure that every business would apply from time to time if it expected to avoid bankruptcy. So far that has not been approved. We still hold the view that this is desirable.

High returns to executives in government should go hand in hand with efficient government organization just as high salaries to executives go hand in hand with efficiency in any other enterprise. Again, we have sought on different occasions to have a review of the Senate. It is so many years since the Liberal party promised reform of the Senate that they have forgotten it.

Mr. Sinclair: We did.

Mr. Drew: I hear somebody across the way saying "we did". They reformed it in the way they go about reforming anything. They made it completely subservient to their own party. But there are some people who do not think that is the way to make the Senate efficient within our constitution. In fact, I do not think the Prime Minister does or, speaking seriously, that any hon. member on the other side really does. Nevertheless these interjections sometimes do carry even beyond this house. We have urged that there be that long-delayed reform of the Senate that would make it possible for the members of the Senate to give the kind of service that I believe they want to give. I am satisfied that they, as Canadians, want to do the best they can for Canada, whether or not it was difficult to get them there. I do believe that this is long overdue, and that increased allowances to members of the Senate and the executive associated with the Senate also

should be related to some of these reforms that would increase the opportunity to give effective service.

There is another point, Mr. Chairman, that I wish to make. I ask hon. members to bear this point in mind. We have taken the position over and over again, or shall I say that the government has taken the position over and over again, that it is not right for this parliament to make decisions that will increase expenditures from public funds without careful, extended and adequate consideration of all the facts. I do not need to review the number of occasions, even recently, when approval in principle was accompanied by the statement that it was essential that great responsibility be shown towards the public revenue, and that before we could justify substantial expenditure of public funds all the facts should be fully available and should be examined.

If we could justify to ourselves that explanation for delay in dealing with any other problem, then we must take sufficient time to obtain that kind of information in regard to a measure of this nature when we are going to be the beneficiaries if this bill becomes law. I repeat what was implied in the amendment I proposed earlier, but which was ruled out of order. I state my request that the government defer consideration of this measure, that it should not proceed any further at this stage or any subsequent stage without assurance that before we discuss the bill we will have an inquiry by a royal commission to go into the whole subject matter of this problem. May I add that we should have an assurance by the Prime Minister, on behalf of the government, that Senate reform will be tackled and that steps will be taken to carry out a re-organization of government along lines that have been suggested in this house from time to time. I believe this is sound business practice. When we talk about sound business practice and the recognition that you must pay the executive to do an executive job and that the return must be adequate for everyone to get the right kind of people, let us make sure we have taken the steps necessary to provide a framework within which the kind of people we want can do the kind of job the people of Canada want.

At this point, Mr. Chairman, I can only make this as a proposal. I do say I believe this is a time when great caution should be shown in doing anything that might suggest we were any less cautious in dealing with our own affairs than we were in dealing with the affairs of other people who depend upon this parliament for action of one kind or another in relation to their daily affairs. We have people hoping for action from this government along many lines. I need not discuss them now. Every hon. member knows many subjects in regard to which the people of this country are calling for action from this government. Let us be sure that no suggestion goes out from this parliament that, while we are reluctant to act in regard to the things that affect the daily lives of our people, we will act with such speed, or with little information, when our own advantage may be concerned.

There is one way that the debate can be terminated at this point for the time being, and that would be an assurance by the Prime Minister that a royal commission will be appointed to conduct the kind of inquiry that will give us the detached and objective findings on which we could subsequently act with confidence, so that the people of Canada would believe no personal interest dictated the decisions we make here.

Mr. Coldwell: The Prime Minister, in his remarks this afternoon, Mr. Chairman, suggested that members in all quarters of the house, and belonging to the various parties in the house, should decide what should be done on the basis of what is best for this institution and for this country. I believe that is the basis upon which we have to make a decision. I believe that we cannot shift the responsibility of a decision onto the shoulders of anyone else; that is, in effect, what we would be doing if we turned the matter over to any outside body. I say that immediately after the Leader of the Opposition has spoken.

This is a matter upon which I am certain there will be differences of approach and differences of opinion, not only amongst the members of the house but in the various parts, and amongst the people, of our country. What we have to consider is this: whether or not some increase in the indemnities paid members of parliament is warranted. Personally, I have long held, and I have not refrained from saying so, that some increase in the indemnities of members of parliament has been warranted for some time. I have stated that in the House of Commons on previous occasions, and I have stated it in my own constituency. In speaking to some members of this house before the general election, and one or two members of the government, concerning the possibility of an increase in the indemnities, I said I thought it would be much wiser to have the increase laid before the parliament which was dissolved last June so that they would take effect when this parliament assembled. I believe the country would have understood.

I believe candidates who were seeking election or members who were seeking re-election would have known what to expect when they got here, and would have been able to make their arrangements. However, that was not done.

The Prime Minister was good enough, as the Leader of the Opposition has indicated, in a courteous and proper manner, to ask the leaders of the opposition groups to meet him—I believe separately, for I met him separately—so that he could tell us what the government was going to propose. In doing so, he made it abundantly clear he was not asking any one of the opposition leaders to make any commitments, but he was giving us that information in order that we might think over what was to be proposed in this house. Consequently, I was able to go to my colleagues in the C.C.F. party in this house and convey to them in confidence what the Prime Minister had told me. We were, therefore, able to discuss the situation.

I want to say very clearly that most of my colleagues—and I use the word "most"—consider that some increase in the indemnity to hon. members of this house is warranted. I want to make that abundantly clear. Most of us, however, think, in discussing this, that the government's proposals this afternoon are higher than are necessary. I remember that in the parliament which was dissolved in June of last year we had six sessions. During those six sessions, which occurred in four years, those of us who were re-elected in 1949 received on an average $6,000 for the four years; that is, the total indemnities that were paid to us in the four years amounted to $24,000, which gave us $6,000 a year. In addition, of course, we got the expense money which, if added to the total, would mean that on the average hon. members received in the last parliament almost $8,000 for each of the four years we were here.

I want to say to the Prime Minister and to the government that we believe that was ample; we believe that is about what should have been proposed now. There may be differences of opinion regarding that, differences of opinion among my own friends, but most of us believe that. I say that, probably because of the experience we had over the last four years, we feel that that would have been the right amount, in other words that the total indemnity proposed should have been $6,000.

The government has decided—and I understand the reason—to maintain the $2,000 expense allowance. The reason is that we passed an amendment to the Income Tax Act, and I believe all the legislatures followed suit, making one-third of the indemnity exempt from income tax, and many of the municipal bodies in the country have followed the examples of this parliament and the legislatures. I can quite understand why the government say if this has been the generally accepted practice in public bodies in this country, then it would be difficult for this parliament to upset that practice at the present time.

I may say that I think we would have been wiser in 1945—looking back now to those days—to have increased the indemnity somewhat then and made the whole amount taxable. But we did not do that. We set a precedent; we changed the Income Tax Act, and the result is that all the legislatures and many of the municipal bodies followed suit and made part of their emoluments tax-free.

When the bill is in committee, at the proper stage, I shall try to put our ideas in this particular on the record, that the indemnity should be $6,000 plus the $2,000 expense allowance. That is what most of my colleagues think should be the solution.

I turn now to the other factors and other proposals in the resolution. I shall say this. I said it in the house once before when the residence of the prime minister was under discussion some few years ago. Regardless of the personality of the prime minister—that is not the point; the point is the position of the prime minister in this country—I think most of us feel that the emoluments of the prime minister of this country certainly should not be very much less than the emoluments of the governor of the Bank of Canada or of the president of the Canadian National Railways. If the Prime Minister's emoluments are increased now they will still be considerably less than the emoluments of the two gentlemen whom I have just named.

Of course the same considerations may apply—we have some reservations regarding this—to the ministers of the crown who surround the Prime Minister; but there is one thing we cannot approve because of the position we take regarding it. We cannot approve the proposal to increase the indemnities of the hon. gentlemen who occupy seats in the other place. We believe that today this branch of the parliamentary institution—and I will not quote the words of Shelley regarding an unreformed senate; I suppose it would not be parliamentary if I did—is archaic and unrepresentative of the country. I say we cannot support that part of the Prime Minister's proposals because we view the other place in the manner in which I have just indicated. As long as the Senate is there I am not going to say anything against the senators, because I think many of them are very fine people.

But it is an institution, unrepresentative, archaic, out-of-date, beyond the House of Lords in the powers that it now has.

A word with regard to the payment of the indemnities. All of us approve the method suggested by the Prime Minister of paying this on a 12-month basis. As to the dating of it, there may be some differences of opinion; but certainly it puts us on the basis of having no additional indemnities if parliament is called twice or indeed three times a year, and I think that is a very good thing. I never liked the two sessions. The Prime Minister may recall that on one occasion I objected to the possibility of it privately to him, but this obviates any misunderstanding that could occur across the country regarding the payment for two sessions, and that is an excellent feature of the proposals now before us.

Since the annual basis is desirable, it is desirable that the amount shall be paid in equal instalments, month by month, and paid from one election to the other. On the basis of the indemnity payable for 12 months no additional payment is possible by this house other than on a 12-month basis.

These are the principal points that I wanted to lay before the committee as the point of view of most of my colleagues of this party. Like the Prime Minister, we have considered this and we have come to conclusions in our own minds. I have placed before the committee what is the consensus of the largest group in our party regarding this very important matter.

Mr. Hansell: Mr. Chairman, we have listened to the previous speakers with a good deal of interest. Before going into a general discussion of the subject may I deal with one or two things the Leader of the Opposition has said, and also one or two things the leader of the C.C.F. party has said.

In the first place, may I say that I agree with the Prime Minister and others that this is not a party matter; it is a matter that parliament as a whole must decide, and upon which each individual member must express himself. The Leader of the Opposition has recommended a royal commission, which does not strike my fancy at all; in the first place, because it does seem to me that when anything of this or of almost any similar nature arises our Conservative friends always suggest a royal commission. If I have heard that royal commission argument once over the past number of years I must have heard it a dozen times. My colleague the hon. member for Wetaskiwin whispers in my ear that perhaps this is the way the Conservative party has of solving the unemployment problem. If we went forward with all the commissions they recommend everybody would be on one.

After all, does this involve such tremendous investigation that it requires a royal commission? There are perhaps a couple of dozen salaries involved. What is involved with respect to the increase in indemnities will vary, I suppose, from about $7,000 to $12,000, but surely it would not need a royal commission to decide that. I do not think the point is well taken.

I have not consulted with all my colleagues, but I think we are in favour of the suggestion made by the hon. member for Rosetown-Biggar (Mr. Coldwell) in respect to the Senate. I am one who believes in the Senate. I think the Senate can be made to perform exceptionally useful functions, but there is one thing to be considered in respect to allowances for those in the other place. After all, they do not sit quite as long as we do. They do have periods of time when they can go back home and look after their businesses. On the other hand, when a session is not being held they do not have constituencies to look after. We do, and in recent years we have found that our job has become a full-time job.

Then with respect to the resolution itself, I believe the country has been given some considerable notice that this resolution was expected. I am not familiar with the words of the Prime Minister in Vancouver referred to by the Leader of the Opposition, but the press have carried various dispatches referring to this particular measure. During that time the public and the press have had considerable time to comment on the matter. Except in a few cases the editorial comments I have read have pretty well been in favour of something of this kind. I have read some criticism in respect to increases for the Senate, and in respect to tax-free expense allowances, but generally speaking the press have favoured some such move as this.

As far as actual protests from the people are concerned, I can go only by the number of protests I have received. I will tell the house how many I have received—three letters. One of them was really bad. It called me everything under the sun. I turned to my secretary and said, "That fellow is a stinker." She said, "You had better be careful. It may not be a fellow; it may be a woman." The letter was not signed. However, it was not from anybody in my constituency so I did not worry very much about it.

The other letter contained a modified protest, and the writer was quite gentlemanly in his manner of writing his letter. I was

somewhat disturbed about the third letter, which came from a war veteran who was on the old age pension and receiving $20 per month by way of war veterans allowance. He wrote and said, "I am glad you are getting an increase, as I think you members of parliament are doing a pretty good job, but I do wish they would increase the war veterans allowance."

I should like to comment on that, because I fancy that the general belief among a lot of people whose incomes are very small would be something like this. Here are these members who have authority to increase their indemnities, yet we have to live on a shoestring. The psychology is bad. I do feel for them, but even though this measure were not introduced I am sure it would not mean an increase in such social services as old age pensions, war veterans allowances and the like. Of course it would not mean that.

Social services in this country run into a tremendously high figure, millions upon millions of dollars. I am sure if members of parliament were given a choice of having their allowances increased or of having an increase in social services such as old age pensions, war veterans allowances and the like, every hon. member would say, "By all means increase the old age pensions and war veterans allowances." Every one of us would do that. However, there is little relationship between the amount of money involved in this, even though it may sound like a lot, and the amount involved in increasing old age pensions, allowances and so forth by $10 or $15 a month.

There is another point which has been covered already. For the most part incomes have been practically doubled all along the line during the past number of years while our indemnities have remained the same. However, there is a feeling abroad which has been indicated in some of the editorials I have read, that while it is true others have received increases in salaries, wages and so forth, members of parliament have the power to increase their indemnities and as a result get it out of the taxpayer.

There is a misconception there. Those people do not realize when they say that, even editorially, that we are all taxpayers in one form or another. When the levels of salaries and wages are raised throughout the country it is written into the cost of production. A higher cost of living must come out of the taxpayers. The only difference is that it is not obtained through the income tax channel. It comes out of the baby's milk bottle, or out of the shoes and clothes we buy for our children. We are all taxpayers and it comes out of the taxpayer just as much as these other things do, though through a slightly different channel. I wish those who comment on these things would first make certain they have the proper picture.

There is another point that has not been considered, and that is that after all the government, which means the Canadian people or the national treasury of the country, is going to get back a pretty good slice of this in income tax. When people look at the Prime Minister's salary of, for instance, $25,000 they whistle and say, "My goodness, that is quite a chunk". Well, it is quite a chunk. I do not know how much it costs the Prime Minister to live, but even supposing it cost him $10,000—I happen to have some tax tables here—on that extra $15,000 he will pay over $5,000 in income tax. Therefore he does not get that $25,000. The same comparison can be applied relatively to the other cabinet ministers, and it applies relatively to us too.

I figured out my own income tax, and on the proposed increase I am going to pay a couple of thousand dollars. That is never considered when editorial comment is written. People see only the bold figures, forgetting that the government is going to get something back.

There is another point I would like to bring to the attention of the house, and particularly to the attention of the Minister of National Revenue. A great deal of editorial comment—I know I keep using that particular phrase, but after all if we want to get the opinion of the country we usually read the papers—stresses the fact that we get a $2,000 expense allowance tax free, and it is claimed we are the only ones in the country who get a tax-free allowance. But that is not true.

Some hon. Members: Hear, hear.

An hon. Member: That is right.

Mr. Hansell: We are not the only ones who get expense allowances free of tax. Every commercial traveller, anyone who goes out as an employee of a company, has an expense account on which he lives when he is away from home. He hands in that expense account, and he does not have to pay any tax on it. The expenses are written into the cost of the operations of the company and into the cost of production, and the taxpayer pays them. That is something that is not generally realized.

While we are in committee I would like the Minister of National Revenue to offset that opinion by telling us what categories of

expense allowances are similar to ours and therefore tax free. I think the information would surprise the country. In fact I think it would be advisable if he did give the house that information.

An hon. Member: How many are there?

Mr. Hansell: I do not know, but there must be many. It is about time for me to resume my seat, but let me conclude with this. I spoke at a public meeting during the Christmas recess, and at that meeting there were gathered some farmers and labour men. During the question period someone came up with this question: "Do you expect increases to come forward this session?" I knew what was in that gentleman's mind because I knew him and he was no supporter of mine. So I said to him: "I do not know. All I can say is that the newspapers indicate that something of this sort will be brought forward." But I said: "I will tell you what I will do if you want me to comment on whether or not I will accept. I will comment in this fashion. When you people refuse to take an increase in your salaries and wages or when you people refuse to take an increase in the price of your products, then I will refuse to take an increase in mine."

Some hon. Members: Hear, hear.

Mr. Hansell: That is just the way I felt about it. I will say this, to a large proportion of the people in my constituency, my income will sound big to them. As a matter of fact it sounds big to me because I do know that if I were not in public life, if I were following my profession all the year round, I know I would not get anything near what I am getting now, and my expenses would be less. I am one of the fortunate ones in being here, but I have not been able to figure out how a lawyer—and I do not want to be hard on lawyers—can come down here for $6,000 a year. All I can say is, you must be a sort of two-by-four lawyer.

Some hon. Members: Hear, hear.

Mr. Hansell: If I could not go out and practise law and make more than $6,000 a year I would eat my hat. The same applies to doctors, or any man in a profession, or any man with his own business. We had a man here at the last session of parliament. He did not run this time because his seat was cut out. We could have found him a seat but he said to me, "You don't need to find me a seat. My practice was worth $15,000 a year before I came here and now it is all shot to pieces. I am not coming back again." That was his comment.

All these things have to be recognized. We must also remember that some of our members have passed on and some members were defeated before the retirement allowance came into being. They were poor men—

The Deputy Chairman: I hesitate to interrupt the hon. gentleman but I have to advise him that it is five o'clock and the house will now proceed to the consideration of private and public bills.

Mr. Hansell: I am through anyway, Mr. Chairman.

PRIVATE BILLS

SECOND READINGS

Bill No. 169, respecting Victorian Order of Nurses for Canada.—Mr. McIlraith.

Bill No. 170, respecting the Associated Canadian Travellers.—Mr. Hanna.

BRITISH NORTH AMERICA ACT

AMENDMENT TO INCREASE QUORUM OF HOUSE OF COMMONS

On the order:

Resuming the adjourned debate on the motion of Mr. Knowles for the second reading of Bill No. 81, an act to amend the British North America Acts, 1867 to 1952, with respect to the quorum of the House of Commons.

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, I had the honour of moving the adjournment of the debate the other day, and presumably I am not in a position to do that now. However, in view of the arrangement made with the hon. member, if someone else would do so I think it would meet the convenience of all hon. members.

On motion of Mr. McIlraith the debate was adjourned.

Mr. Speaker: The business which was to be considered during this hour devoted to private and public bills being exhausted, the house will now revert to the business which was under consideration prior to five o'clock.

SENATE AND HOUSE OF COMMONS

AMENDMENTS TO INCREASE SALARIES OF SPEAKERS AND DEPUTY SPEAKER, SESSIONAL ALLOWANCES OF MEMBERS, ETC.

The house resumed consideration in committee of the following resolution—Mr. St. Laurent—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce measures to amend

(a) the Senate and House of Commons Act to increase the salaries of the Speakers and the Deputy Speaker, the sessional allowances of members of the Senate and of the House of Commons and the annual allowances of the members occupying the recognized positions of leader of the government

in the Senate, leader of the opposition in the Senate and Leader of the Opposition in the House of Commons;

(b) the Salaries Act to increase the salaries of ministers mentioned in sections 4 and 5 thereof, substituting for the Minister of Resources and Development, the Minister of Northern Affairs and National Resources and adding thereto the Associate Minister of National Defence.

Mr. McIvor: Mr. Chairman, I am not going to say a great deal, but there is one thing we can say and that is that the Prime Minister is not a coward. He does not want to pass responsibility even to a royal commission, to the Leader of the Opposition or to any other leader. He is taking full responsibility. I think we have a right to be proud that we have a Prime Minister who will face the music in this respect.

As to the increase in salary, I do not care a bit about it.

Mr. Fleming: Do not call it salary.

Mr. McIvor: I do not think I will need it any longer than 20 years, anyway, and I can get along on the little bit extra that I can earn. However, I have known members of parliament who were broke when they got through, and who lost their businesses. We must consider these people. I listened to the Leader of the Opposition, and I do not think he is opposed to this increase. I do not think the opposition group is opposed to this increase. But they say we are doing it in the wrong way. That is all I have to say.

Mr. Diefenbaker: This is one of these matters which come before parliament which impose a tremendous responsibility on each and every member of the House of Commons. That was stated by the Prime Minister in his opening remarks. It is in that spirit that I rise to support the suggestion made by my leader, the Leader of the Opposition, that parliament and the country have not sufficient information upon which to act, as parliament is arbitrarily asked to act under the terms of this resolution.

Only the other day I was reading the works of the French philosopher Diderot. That philosopher said that when the artist thinks of money, he loses his sense of beauty. I think those words apply with particular force when we debate a question such as this affecting, as it does, the democratic rights in our country and the need for maintaining parliament in its amplitude so that it may truly represent and lead the Canadian people.

Someone said that a royal commission would shift responsibility. It would do nothing of the sort. Is the government shifting responsibility when it asks for the setting up of a royal commission in connection with the criminal law, in order to deal with certain amendments to be made to the Criminal Code? Nothing of the kind. I hope that is not shifting responsibility. The other day the Minister of Justice announced that a royal commission would be set up in order to secure the opinions of people generally qualified to speak with regard to certain changes to be made in the law.

Above everything else, as we discuss this matter, we dare not allow the Canadian people to come to the conclusion that parliament, because we have the power here, can become a grab-bag at the option of any of us or all of us. I believe that a royal commission would go far to enable the people of Canada and parliament to learn the facts. Certainly the Prime Minister has placed before parliament no reason why some of the increases to which reference has been made should, in fact, be made or why the figure fixed in this resolution as the increase for members of both houses of parliament should indeed be the proper figure.

The Prime Minister endeavoured to answer the possible charge that this matter was left until after the election before action was taken by parliament. On July 9 he made a radio speech which, as I heard it, gave no indication to the Canadian people that, in the first session after the election, there was to be an increase in the indemnities. We who were elected—we were not conscripted to be candidates—were elected on the basis that the indemnities we were to receive were, in fact, the ones we had been receiving. I find it difficult to understand why this measure, if it is so necessary, should have been introduced now, immediately after an election. I find it difficult to understand why it should not have been introduced last session, to be implemented after the election. In 1920, when an increase took place, it was within a few months of the expected date of the election.

One thing further I should like the Prime Minister to explain is this. If this increase is necessary, or if it is required to be made, why should it be made retroactive to November 12, the beginning of the present session? What is the reason for that?

Mr. St. Laurent: Because the amount is practically the same. Under the present law the payment for each day that parliament is in session, whether it be a sitting day or not, is $20. Under the new schedule it would be $21 and a few cents, so that it is practically the same. For purposes of accounting it will be more convenient just to have the payments go along as they are made under the present law and to have whatever remains

unpaid then extended over the remaining months of the 12-month period rather than paid in a lump sum at the end of the session.

Mr. Diefenbaker: The Prime Minister's explanation answers the question in part, if not in full.

Mr. St. Laurent: We felt that it would be undesirable to have it retroactive in any way.

Mr. Diefenbaker: On the face of it, it had the appearance of being retroactive; but the explanation given now, coupled with what the Prime Minister said a while ago, namely that we would receive the same rate of instalments until the end of this session and then continue the instalments thereafter, in effect meets the criticism that I make. Nonetheless, the impression formed at first glance would be that it was retroactive.

I see no reason for haste in connection with this matter. A royal commission would enable a full and frank discussion to take place and evidence to be placed before the commission by those who are not interested in the results. I believe the people of Canada are not in favour of this measure as now constituted. At a time like this I think the people of Canada are asking the members of this chamber to practise a degree of self-control that is not apparent when a measure such as this is brought forward with such haste for the purpose of putting it through in the same manner.

If a royal commission should agree as to the necessity of an increase in indemnities in order to keep good men in parliament it could have no other result than to place before us information that we do not have now, and would provide a cooling-off period for the people as a whole as they became educated day by day with respect to the need for this measure. I implore the government not to push through this measure by the force of their majority.

The Chairman: Order. The hon. member will of course remember that the question of a royal commission was negatived.

Mr. Diefenbaker: I did not hear Your Honour's remark.

The Chairman: The question of a royal commission was negatived before we went into committee.

Mr. Diefenbaker: Mr. Chairman, with profound respect, an opportunity was not afforded to negative it. It was a ruling of the Speaker that the amendment was not in order, and not having been in order he ruled it out of order. But I trust Your Honour is not making a ruling to the effect that once the Speaker rules out a matter on technical grounds, the House of Commons is not permitted thereafter to discuss that which at the moment could not technically form part of an amendment.

Not contravening Your Honour's ruling, I say that a royal commission would throw light upon many parts of this measure that are now difficult to understand. We are asked to raise the standard of parliament by an increase in indemnities. If a cure will indeed be effected by an increase in indemnities, why should parliament, in going to the medicine chest in order to improve the health of parliament, be placed in the position of having to accept, in addition to the medicine that will be good for it, additional pills that I do not believe the Canadian people want parliament to take?

Mr. MacInnis: Mr. Chairman, I am only going to say a very few words at this stage of the debate, largely to indicate where I stand with regard to this question. As the Prime Minister was explaining the purpose of the resolution to the committee I was struck by the thought that he must have been a very effective lawyer in court. As a matter of fact, as he explained the difficulties and hardships of members of parliament I began to feel that I had suffered quite considerably in the public interest during the last 24 years. I was afraid there was something hypnotic about his words, and I closed my eyes and began to make a rough calculation of the years of my life.

I was brought up on a farm, and on a farm you go to work pretty early in life. I have put down ten years of age as the time when I really began to work, but I am quite sure I was doing my share of the work long before that. But after that time I really worked. There was no time for school, no time for university, no time for anything except work and bearing the responsibility for running the family farm after the head of the family had passed away. From the time I was ten until I entered the House of Commons I found that there was a period of about 35 years, and I thought of the various kinds of work I did during that space of time.

I must say that I have never had it so easy as since I became a member of parliament. I do not think I have neglected my work as a member of parliament. When your home is in Vancouver you cannot go home very often on these Thursday to Tuesday week ends, and whether or not I wanted to I had to stay here. As I had to stay here I of course was working. I was on the job seven days a week. Between sessions I was helping to build a new party, and there is

no part of the country with the exception of the province of Newfoundland, where I have not spoken and spent considerable time.

When I am at home people are continually coming to me about little matters. Nevertheless I must state, as I said before, that I have never had it as soft as since I came here. I believe that is true of members of parliament in general. I noted what the Leader of the Opposition said about the difficulty in finding members to serve in the other place, but even as far as the House of Commons is concerned there is no great difficulty in getting candidates.

I look across the floor and I see people who have stood for office election after election. They feel they are lucky if they are elected. New members come here, and there is a general scramble to get a seat in this house. We come here not because of the indemnity, salary, or whatever you want to call it. I must say it is going to come pretty close to a salary if the indemnity is to be put on a monthly basis. We come here because we like the work and associations, and feel that this is where we want to be.

The hon. member for Macleod said that a lawyer who would come here for $6,000 a year must be somewhat of a two-by-four lawyer in his own community. I can look around the chamber and see members who are not two-by-four lawyers either in their own or any other community. If we are going to make the size of the indemnity the reason members come here, we are not going to raise the standards of this house; we are going to lower them. The Leader of the Opposition made some reference to reasonable or satisfactory—I do not know exactly the words he used—compensation for the sacrifices made. Surely the hon. member knows that you cannot be paid for sacrifices. A sacrifice is something you make because you want to do it. If you are to be paid for it, it is not a sacrifice.

My main objection to this increase—I am not going into the figures now—is that it increases the spread between members of parliament and members of the government and the people we govern. If there is anything that history shows us has caused trouble down through the ages, it has been the economic separation of the people from the government. This has caused a great deal of the world's troubles. Every time we raise the salaries of cabinet ministers or the indemnities of members of parliament, without at the same time raising the incomes of the people in our community who need to have their incomes raised, we are separating our government from the people. That is a bad thing for any country.

I said when I began that I was not going to say much. If I do not stop soon I shall not be holding to that statement. I am opposed to this measure, first of all because of the amount of increase. I believe it is fantastic. I did not hear anyone say, throughout the whole of the election campaign, that he or she was going to Ottawa for the purpose of raising his or her indemnity at the first opportunity. From no party, Liberal, Conservative, C.C.F. or Social Credit, have I heard any suggestion that this was the first thing they were going to do. Every member I heard speak from the public platform, every member I saw reported in the newspapers, every member I heard over the radio, said he was coming here for the purpose of improving the conditions of those amongst us whose conditions need to be improved. Reference was made to old age pensioners, persons on war veterans allowance, and many on low incomes who, as one newspaper stated editorially not so long ago, never have enough to eat. This situation exists in this rich country to which the Prime Minister referred.

I, amongst others, said I was coming down here, and asked my people to send me down here, to do something for those who were unable to do something for themselves, and for those who could not come here and raise their own incomes. I am not going to support any increase in income for any member of parliament until we have made some attempt at raising the incomes of the poor in this rich country.

(Translation):

Mr. Dufresne: Mr. Chairman, I would feel remiss in my duty if I did not rise to express the opinion of the people who have sent me here.

In my opinion, the resolution moved by the right hon. the Prime Minister (Mr. St. Laurent) is very untimely because we should realize that everywhere in Canada, and more particularly in the city of Quebec, represented in the house by the right hon. the Prime Minister, as well as by myself, there are thousands and thousands of unemployed workers who have to beg their daily bread. Yet at that very moment, we in the House of Commons would take advantage of their misery and vote ourselves an increase of more than 100 per cent in our indemnity! I wonder, Mr. Chairman, how logical such a gesture would be.

Mr. Dupuis: It would be logical!

Mr. Dufresne: If that is logical in the constituency of my hon. friend from St. Mary (Mr. Dupuis), it would not be in my constituency, where there are working people who know the difference between what is logical and what is not.

Mr. Chairman, I have had the opportunity of meeting a large number of my electors in the past few weeks during which newspapers have been mentioning the proposed increase in our parliamentary indemnity. I can say that not one worker—and most of our workers earn less than $50 per week—would agree that we should not look after them at this time when there is so much misery in Canadian homes but that we should think of increasing our indemnity by 100 per cent.

Everywhere in Canada, there are old people who are getting $40 per month and who evidently cannot live decently on such a small sum, but they have to be satisfied to eke out a miserable existence.

Mr. Dupuis: When the Conservatives were in power, they did not get anything.

Mr. Dufresne: Mr. Chairman, I was not born 50 years ago.

Mr. Dupuis: I am not speaking of 50 years ago, but say 25 years ago.

Mr. Dufresne: I was not there. I was only a youth then. I hope that the hon. member, whom I am not even addressing, will be from now on kind enough to let me continue my remarks.

Mr. Gingras: He was saying sensible things.

Mr. Dufresne: Mr. Chairman, I was saying that there are everywhere in Canada old people who cannot, on $40 a month, live and meet their obligations, pay their rent, eat properly and dress decently. A great number of these old people, all across the country, are asking the government to increase their pension. We turn down their legitimate request, and yet at the same time, we members of parliament are going to vote ourselves a 100 per cent increase!

I have before me the correspondence I received today; these 151 letters have come to me from people of the working class, men with large families, who have been asking for a long time, on account of the steady increase of the cost of living and the overburden of taxation, an increase in family allowances in order to be able to meet their obligations and give a little more happiness to their families. Do you think that in the face of such a legitimate request I would feel happy to meet these people and tell them that while their request has been turned down, we have been pleased to support the Prime Minister's motion to double our indemnity.

There are at present all across Canada, from the Atlantic to the Pacific, young people, single or married, who during the last world war gave their best for the defence of Canada, their motherland.

A large number of them—and the hon. Minister of Veterans Affairs (Mr. Lapointe) could surely corroborate this—write in every day to ask whether it would not be possible to increase the pittance which they receive since it is not sufficient to enable them to meet their obligations. And yet, while these people who have risked their life for Canada are refused the pension which they are asking for we are expected to be so inconsistent as to support this motion now before us and to increase our indemnities 100 per cent.

Mr. Chairman, in the past year, every important public body in this country has been urging a reduction in income tax. There is nothing to indicate though that in his next budget the Minister of Finance (Mr. Abbott) will bring this about. All important public bodies in this country are therefore being refused a fair request. No small increase in pensions or family allowances is being granted those who are really in need of it and yet, at the very same time, the right hon. the Prime Minister, who himself represents a district almost wholly made up of working people, is asking us to support this resolution and, as servants of the people, to vote ourselves this 100 per cent increase.

I believe this measure to be highly unpopular at the present time. The government will be the one to answer for it to the taxpayers of this country.

In spite of the statements made in and out of this house by the Minister of Northern Affairs and National Resources (Mr. Lesage) and other cabinet members, there is at this time an economic recession in the offing. Thousands of workers are out of work. They are asking for employment, they are urging the government to proceed with public works so as to be in a position at least to earn a living for themselves, their wives and children. The government have done nothing to alleviate their plight.

Where can you find logic in this resolution moved by the right hon. the Prime Minister? I would have liked him to have had the opportunity, before introducing this resolution in the house, to visit his constituency, to make a tour of all the little streets in St. Roch and

St. Jean Baptiste districts. He would have seen that all these workers are sitting at home, waiting for some help to provide for their families. Had he done so, I wonder if he would have come before us today with this same resolution which he has just introduced to the members of the house.

Mr. Chairman, it seems to me absolutely contrary to the principles of sound democracy to adopt this resolution as worded. I rather think it should have been submitted to the people, even before the election of August last. If only the hon. members opposite had adopted in front of the people, in front of their electors, the arrogant attitude which they are now displaying in the house toward those who do not share their opinions, I bet there would not be 50 per cent of them who would now be sitting on that side of the house this year.

We must, of course, think of the people before looking after those who claim to be their servants. When one wants to serve, one is called upon to make sacrifices; if one is not ready to make the sacrifices required of us as representatives of the people, there is only one thing to do: it is to refuse to stand for election when we are requested to do so. I shall perhaps be reminded that respect is due to the properly constituted authority. I agree with that, but if this authority which is constituted by the people for the people fails to look after the real and urgent needs of the people, here is what is going to happen. We shall have to go through the same deplorable situation now prevalent in various iron curtain countries; and we shall have to fight, even more firmly, against communism at home. If we do not want communism in this country, let us not pass resolutions which would only embitter certain people.

I believe that the motion is untimely and I very simply wish to dissociate myself from the responsibility which the government would like us to assume. Moreover, I want the country to know and especially the electors of my riding that I am against this resolution because instead of thinking of myself I want to think of those who elected me, their wives and children, who are at present in need.

I think that those few words will reflect the feelings of all my constituents and I hope that the Prime Minister will study carefully those few remarks and reconsider his decision and examine at greater length this resolution in order to determine if it should be passed or not.

(Text):

Mr. Thatcher: I should like to comment, also very briefly, on this resolution. I am pleased that the Prime Minister, the leader of this group, and others, have said that each member should express his personal views on the matter before us. Personally I must agree with the hon. member for Vancouver-Kingsway. I regret that I cannot support the resolution.

I do not deny that a very strong case can be made for increasing hon. members' indemnities, and the Prime Minister this afternoon introduced some strong arguments. Certainly it is true that federal members of parliament are not paid an income which compares favourably with the salaries paid to many people in private industry. It is also true that a good many hon. members have had trouble in making ends meet on their present indemnity. Notwithstanding that fact, it seems to me there are a number of reasons which make it inadvisable for members of parliament to raise their own indemnities.

I feel I should vote against this resolution in the first place, because I am sure an overwhelming number of people at home in my constituency, the people whom I represent, would wish me to vote against it. If we raise our pay from $4,000 to $8,000—or give ourselves a 100 per cent increase—there will be keen resentment throughout the country. As has been mentioned, the unemployed, some of our old age pensioners, and about 98 per cent of the taxpayers who are earning less than $10,000 a year, are going to look upon this resolution as being a selfish one. This will be particularly true when they remember that less than two years ago this parliament adopted a very generous pension scheme for members of parliament. That pension scheme was a desirable one; it was a contributory scheme, and it alleviates the financial worry of ex-members of parliament with long years of service. But as we discuss this resolution now before us, it seems to me that we should also keep in mind the fact that the greatest part of the money to pay that pension is coming from the taxpayers. To ask the taxpayer for such a substantial salary increase on top of the pension I think is expecting too much.

Senate and House of Commons

I believe the Prime Minister should make clear to parliament as we discuss this resolution what effect it will have on the pension. It has been rumoured, I do not know whether correctly, that if the indemnity is doubled, so also will be the pension. I hope this is not correct, because surely to increase the pension at this time simply could not be justified on any grounds. I hope the Prime Minister will clear up this point at the first opportunity.

An hon. Member: Do you have any other income?

Mr. Thatcher: Yes, I have. In the second place I oppose this legislation because it contemplates the same kind of raise for the Senate. Surely there are very few people in the country who will support this feature of the legislation. I am certain that if a Gallup poll were held not ·001 per cent of Canadians could be found who would go along with such a substantial increase for hon. members of the other house. Personally I should like to see the Senate abolished, but if we are going to continue it, it seems to me we should keep the salaries on a realistic basis.

In the third place, I oppose this legislation because I think it might tend to make more and more members become what has been described as "full-time" members or, by some, "professional" members. Some hon. members may feel that such a trend is desirable, but I cannot believe that the good of the country will be served if all members become full-time members. The Prime Minister said that one of the strengths of this house is the fact that when issues arise they are discussed by a cross-section of citizens. We have farmers, professional men, businessmen, lawyers, doctors and so on, to express their views on each issue as it comes up. I think this fact makes for a strong parliament. However, I do not believe we will continue to have such a wide cross-section of members if we pass this legislation, which in my opinion will mean that members will become, more and more, full-time representatives.

It is quite true, as some hon. members have pointed out, that being a federal representative has been taking more and more time. But I contend that the answer to this problem is not an increase in the indemnity; it seems to me the real answer was indicated by the Prime Minister, although he did not say it. I believe the real answer is to streamline our rules of procedure. If the committee now considering our rules would see that concrete recommendations are brought in and acted upon, I am sure it would be possible for members of parliament to get their work done more efficiently and expeditiously.

[Mr. Thatcher.]

I see no reason why parliament should have to sit for seven or eight months in the year. I may be wrong, but it seems to me that if our rules were streamlined, we could get through the work of the house in four or five months. Then if hon. members wanted to supplement their incomes they could go home and do so but not at the expense of the taxpayer.

Finally, and I am now going to sit down, I must oppose this resolution because during the years I have been here I have contended that the government should practise more and more economy in its expenditures. During the last election I promised to press for reduced expenditures and lower taxes. In my opinion voting for this resolution which will cost the taxpayers $1·5 million would not be consistent with that attitude. Therefore it is with reluctance that I repeat I am opposed to the resolution and shall vote against it.

(Translation):

Mr. Dupuis: Mr. Chairman, I have not heard for quite a while in this house so demagogic a speech as that just made by the hon. member for Quebec West (Mr. Dufresne). I knew the meaning of the word demagogue, but to make sure I looked up its meaning in the *Larousse* dictionary. You will see that the word applies very well to the member for Quebec West. According to the dictionary, a demagogue is:

> One who pretends to defend the people's interests to gain their favour.

Mr. Chairman, if I believed that the resolution now before the house was of such a nature as to be detrimental to the small wage earners, the low-income class, I would be the first to protest and to fight its enactment with all my energy.

Like the hon. member for Quebec West, I represent people whose income is very low. In fact, the people I represent are made up in the proportion of 80 per cent of labourers. However, I do not fear to support the resolution now before the house and I do so for the following reasons: A while ago, the member for Quebec West stated that it was scandalous, under the circumstances, to double our parliamentary indemnity when old people were only drawing $40 per month, a mere pittance as an old age pension. In that connection, I took the liberty of interrupting the hon. member to say that it was still better than under the Conservative administration, when there was no social legislation of any kind to enable the government to give assistance to those who could have expected some help in their old age.

Mr. Gauthier (Portneuf): 20 cents per day.

Mr. Dupuis: We have enacted all sorts of social legislation; however, I do not believe that any legislator ever thought for one moment that a person could live on a monthly income of $40. No legislator ever thought that an allowance of $5 to $8 per month would be sufficient to take care of children. No member of this parliament ever thought that the pension now paid to veterans would be sufficient to render them financially independent.

We have not only filled a gap but we have also helped these people to make both ends meet. Nevertheless, the duty for the children to take care of their aged parents still remains. Because we pay family allowances, it does not mean that a man must rely on the state to support his family. No, we only alleviated their burden by helping them to support their parents and their children.

Mr. Chairman, I say for the third time that I represent a labour riding. I am quite aware of the workingman's sense of justice. One does not need a lot of money to have judgment and a sense of justice. I went all through my constituency, I saw my constituents, the workers in my own riding. Most, if not all, understood that their federal member could not represent them any longer if he were to get only the parliamentary indemnity to which he is entitled at present. They understood that if they wished to be well represented, their member had to receive adequate compensation.

You may remember, Mr. Chairman, that when the matter of increasing the salaries of judges came up for consideration, I was among the first to rise in support of that measure, even though I represent a working-class district. I said then that a judge is entitled to a salary high enough to enable him to accept this position of eminence and to live in a style befitting it.

Senators may possibly be different from members of parliament. It will be generally recognized that they do not have to meet the considerable expenses which the elected representatives of the people have to put up with. The latter must contribute to all the parochial or social organizations of their constituencies, and also preserve a certain standing in their various communities. They have to meet certain expenses which most of their constituents can dispense with. We have discussed this matter. I spoke to my people and on the evidence offered, circumstances being what they are, they were quite willing to admit that their representative should be adequately paid.

There may be a difference between the one who is now speaking to you—who is not a professional man, not even a professional politician—and a lawyer who could put away a good part of the income derived from his office, and the man who might own a business and yet have to be here continually. I know that eminent lawyers on the other side of this house, as well as on the government side, have had to absent themselves quite often in order to plead in court. I do not refer only to the hon. member for Prince Albert (Mr. Diefenbaker), who has absented himself in the past in order to plead cases in court, for I have seen other hon. members sitting on the government side absenting themselves for the same reason, thus earning quite legitimate income. The situation as regards insurance brokers and tradesmen is different from that of professional men. I have every respect for lawyers and I want them to be numerous enough in this house, because we must of course rely on their knowledge of the law. I do not say that the house should be peopled only by members of that profession.

We welcome them because we need their advice in certain circumstances but, on the other hand, I want to differentiate between the insurance agent, the tradesman and the professional.

So I have no qualms about supporting this measure. I am in favour of it because my mentality is that of our people. My father was a worker and there were fourteen children at home. The environment in which I grew up was that of the labouring class and of family life, and I know the mentality of our people. And to think that certain demagogues tell us that these poor workers would be the first to accuse us! As for me, I know the feelings of our people, and if they were opposed to this measure I would be the first to protest against its being carried out, but they are not opposed to it. Therefore, I will not hesitate to tell my electors that in voting for this measure I was not thinking only of the increased income I would get, but that I accepted it in order to serve them well. It stands to reason that I cannot do that unless I get adequate pay. I am saying nothing new when I state that financial worries are liable to undermine the efficiency of any individual.

I repeat that I speak for the people of my own class, and I am sure that I have not misinterpreted their opinion.

Now, let us consider the question from a different angle. The right hon. the Prime Minister said—and how right he was—

that the indemnity granted to the members of the house had not been increased for a very long time. He was absolutely right. I know well that members of the working class are not paid the wages they are entitled to and I shall always be the first to ask justice for them at every opportunity, whenever I have a chance to do so. However, let us compare the income which professional people and skilled workers were getting in 1925, 1928, or 1930 with what they are getting now. Expenses have been increasing for us too as well as for others and the cost of living is as high in our case as it is for others. I am therefore convinced that the rest of the population will want us to be treated with fairness.

Those are the reasons why I shall vote in favour of this measure and I shall thank the government for the manner in which it takes care of the people's representatives, who, like everybody else, are entitled to fair treatment.

(Text):

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Fulton: Mr. Chairman, I suppose it is inevitable that in the discussion of any proposal which involves consideration of the indemnities to be paid to members of parliament it should be a little bit embarrassing for any one of us who is actually a member to take part, because however much we may try to put it upon the plane that we are setting a level of indemnities which will preserve the dignity of and respect for parliament as an institution, the fact remains that we are nevertheless discussing what will be the level of remuneration for our own services.

Furthermore, in dealing with this matter we are in a position enjoyed by no other people in the country; we are in a position, whatever may be our decision, to vote upon it and increase the level of our remuneration at the expense of the taxpayers of Canada, a body of which, it must be admitted—and I am frank to admit it—we ourselves are also all members. But there is no one else in the country in that position; therefore it is a subject which is always a little difficult to discuss.

I do not think there is any need for any of us to hesitate to agree that there is certainly a case for some increase in the indemnities, and for the argument that the level now paid requires revision. But I for one am certainly not prepared to swallow, without discussion, the figure which is put forward by the government and which will be introduced in legislation if this resolution carries.

In discussion of matters of this sort, both here and at home with my friends, when sometimes it has been suggested that we must be foolish to be members at the present level of indemnity and so on and that we should vote ourselves increases, it has always seemed to me that we should not lose sight of the fact that we are all free, white and 21, and that no one held a pistol to the head of any one of us and said, "You have to run for parliament; you have to accept nomination and run for election". In fact in my constituency in 1949 there were three others who contested the seat and in 1953 there were also three others, all of them estimable gentlemen, any one of whom would have been delighted to come down here instead of me. We all ran on the basis of the present indemnity.

I therefore do not think one can take as a sufficient argument to support this resolution to give us this increase in indemnity that you cannot get candidates unless you accept the present proposal. I always remind myself of those other two occasions when three other gentlemen would have been extremely glad to come down here for the present indemnity if I myself had not run and been successful.

In laying the basis for a discussion of a proposal which involves an increase in indemnities, it seems to me that one should perhaps try to sort out one's thinking on why we become members of parliament, and one's thinking on the motives and on the standards for membership. It seems to me, as it has always seemed, that there are three chief considerations in the mind of anyone who offers himself for public service as a member of the House of Commons of Canada. The one which I would put first and most important is the desire to give public service. That consideration, it seems to me, is and must always be the paramount motive. I would put second the very proper desire for power; that is to say, the desire to have a say in the conduct of the affairs of the nation. I do not suppose any one of us would have offered himself for election and been anxious to come down here unless he felt that he had

a contribution to make. That is what I call—and it may not be an apt phrase—the proper desire for power, or the desire to place yourself in a position where you can influence the conduct of national affairs. I would put third—and only third, after those other two motives—the financial considerations which may enter into the picture.

That being my view of the matter, I say for myself, at any rate, that I think we must be careful not to approach the subject from the point of view that the financial remuneration to a member must be such that there shall never be any element of sacrifice, because I do not think that is a sound starting point for such a discussion.

Having made those general observations, I should like to turn to a particular consideration of the resolution before us and of the discussion which has taken place so far today. As will be recalled, it has been suggested by the Leader of the Opposition, that this matter should not now be put forward for the decision of the house but rather that a royal commission should be appointed to study and report upon it so that, with the benefit of their investigation, we might be in a position to make a decision which would perhaps be a more impartial one than we are in a position to make at the present time. I am fully in accord with that suggestion.

We have already heard from other hon. members on all sides that use is being made of the same old tactics—as they say—of saying that we are doing the right thing but that we are doing it by the wrong method. Mr. Chairman, I think this matter goes a great deal further than that. I do not think it is doing the right thing to try to put this proposal through in its present form without the benefit of such a previous study. I think it is doing the wrong thing, not doing the right thing in the wrong way. I think it is the wrong thing to do in this way, for a number of reasons.

The first reason is this. There was no announcement to the people, prior to the election, that an increase in indemnities to members and senators, in the salaries of ministers and of leaders of the opposition, would be put through, when the opportunity was available to the Prime Minister and the government party to make the statement prior to the election.

I point out to you, Mr. Chairman, that prior to the increase put through in 1945 it was, in effect, stated by the then prime minister—indeed, I think it was stated in so many words—that, if returned, he would regard it as a mandate to provide an increase in the remuneration of members of parliament. That issue was clearly before the people. I therefore think there could have been no objection to the method followed in 1945, in view of the statement made by the then prime minister during the course of the election campaign. No such statement was made on this occasion. No hint was given to the people of Canada that, if returned, this government would put through, at the first session, such a substantial increase in indemnities to members of the House of Commons and of the Senate, as well as the other increases which are now before us.

In the second place, there has been no study by the membership generally—and there is to be no opportunity for study—of all the factors on which a decision might be based as to what would be the proper level of increase and whether indeed, if we are going to have the increase now proposed, the whole of the indemnity should be made subject to taxation. I point out to you, Mr. Chairman, that on the last occasion when we had before us a proposal affecting the remuneration of members of parliament, that proposal was referred to a committee of the house for special study. The proposal that there should be a retirement allowance to members of parliament was referred to the banking and commerce committee before legislation was ever introduced into the house. We were not even asked to pass upon the principle of it, to give it second reading, or to approve the resolution in 1952 until the subject matter of a scheme of pensions for members of parliament had been referred to the banking and commerce committee; and it was only after that committee had reported that a resolution was placed upon the order paper to introduce legislation based on their report.

Then another reason I think it would be wrong to accept this proposal at the present time is that we have had absolutely no assurance that that pension legislation will be amended if this resolution carries and these proposals become law. In his introductory statement this afternoon the Prime Minister did not utter one word with respect to the pension legislation. But this resolution and the legislation to be based upon it will have a very definite and immediate effect upon the question of pensions for members, inasmuch as at the present time pensions are not limited to the payment of so many dollars a year, $3,000 a year as would be the case under the present level of indemnities, but are paid on the basis of 75 per cent of the total amount of the contributions a member

has made under the act. Therefore if our contributions are doubled, as they will be if the proposed legislation goes through and no change is made in the legislation providing pensions for members, the amount of our pension is automatically doubled.

Mr. Croll: In 35 years.

Mr. Fulton: I am quite certain it was not the intention of any member of parliament when approving of the pension legislation in 1952, and I am also quite certain it would not be the intention of any member of parliament in approving this resolution or the legislation to be based upon it, that he should at the same time be doubling the amount of pension which he will qualify himself to receive.

Mr. Arsenault: On a point of order, the hon. member should not give the impression that these allowances for members will be doubled. It will take—

Mr. Fulton: Mr. Chairman, I am under the impression that the hon. member is not raising a point of order.

Mr. Arsenault: That is my point of order.

Mr. Fulton: I submit that if the hon. member disagrees—

The Chairman: Order.

Mr. Arsenault: The hon. member is giving a wrong impression.

The Chairman: Order. The hon. member is rising on a point of order and I must hear what he has to say.

Mr. Drew: Mr. Chairman, let him state the point of order.

Mr. Croll: He is. Give him a chance.

Mr. Arsenault: It will take 17 years for any member now sitting in the House of Commons to reach the maximum pension. It does not follow that the pensions will automatically be doubled.

Mr. Fulton: I think the hon. member has probably said enough now for you to agree with me, Mr. Chairman, that he was not raising a point of order. The hon. member has stated the obvious. If, as I would gather from the fact that he has made this statement, he has studied the legislation providing retiring allowances for members of parliament I hope he will go on from there to take the next logical step and say that it would not be his intention that the passing of this resolution and the legislation to be based upon it should increase pensions to $6,000 a year.

[Mr. Fulton.]

The Chairman: Order. I should like to agree with the hon. member for Kamloops that the point of order was not well taken, but at the same time I do not think we should allow a discussion of pensions on a resolution dealing entirely with increases in certain remuneration.

Mr. Fulton: Mr. Chairman, I appreciate the spirit of your remarks and I shall endeavour to observe them, but I do not think you would suggest that to point out what would be one of the effects of this proposal is out of order in a discussion of this resolution. I agree with you, and I assure you that I do not intend to get into a discussion of the details of the pension legislation, but I am stating what will be the effect on other matters affecting the position of members of parliament if this proposal should carry and no change is made in the act providing pensions for members.

Therefore I would conclude this part of my remarks by stating that for myself at any rate, if there were no other grounds of objection to proceeding with the proposal in this manner—and in my mind there are—I would not be able to support the resolution unless the Prime Minister gives us a definite assurance that after this matter is disposed of the government will introduce legislation to amend the Members of Parliament Retiring Allowances Act so this proposal will not have the effect of doubling pensions which would be paid to members of parliament after they had made their full contribution under the pension act. Without such an assurance I certainly would not be able to support this proposal.

An hon. Member: You would not support it anyhow.

Mr. Fulton: Hon. members of all the other parties, certainly of the C.C.F. and Social Credit parties, have objected to the suggestion made by my leader that the proper way to deal with this matter is to refer it first for study by a royal commission. I suggest to you, sir, that that would be the proper course to follow in dealing with any proposal to increase indemnities and salaries of ministers and of the Leader of the Opposition, and indemnities in the other place. I do not think it is necessary to repeat the arguments which have already been made by the hon. member for Prince Albert, in which he pointed out that it is not a surrender of our responsibility as members to ask that a royal commission should first consider the matter and give us the benefit of their consideration and advice.

Various matters arise out of the proposal now before us concerning which I think the

only way to arrive at a sensible and impartial decision is first to have the benefit of the impartial consideration which another body such as a royal commission could give them. What it is proposed to do here, amongst other things, is to amend the Senate and House of Commons Act to double the indemnities paid to members and to senators. I think there are a number of other considerations which arise in connection with the position of members of this house and senators under the Senate and House of Commons Act. Indeed, I believe it is time we took a good look at the whole of the Senate and House of Commons Act and at the position of members and senators under that act. I think such a study should be made; and it is time, particularly if we are now to be in receipt of an indemnity plus expense allowance amounting to $10,000, that consideration was given to certain features such as whether it is desirable in fact that members of the house or members of the Senate should be directors of companies which have substantial dealings with the government. One has only to look through—

The Chairman: Order. Surely the hon. member will agree with me that this is out of order on a resolution of this kind.

Mr. Fulton: I am sorry, sir, but it does seem to me that on a resolution of this kind, which advocates an amendment of the Senate and House of Commons Act for the purpose of increasing our indemnities very substantially, it is quite in order to draw attention to other features of the Senate and House of Commons Act which it might be desirable to amend. I think that is particularly so if members of the house and of the other place are to be placed in the position of receiving substantial indemnities or allowances for the efforts they put forth and the sacrifices they make. The position with respect to what is proper in the way of the relationship of members and senators with the government or with companies having contracts with the government is then very much in order in a discussion of that type.

I certainly think the whole matter of the relationship between members and companies having contracts or dealings with the government, and distressing incidents such as we saw here toward the close of the last session, coupled with the fact that our indemnities are now to be very substantially increased, demand that we should review the whole situation and decide whether we think the Senate and House of Commons Act should be tightened up in that respect, or whether in fact the present situation should be permitted to continue, under which members and senators hold directorships in companies having substantial dealings with the government.

After all, the Prime Minister has said that one of the objects of the indemnity is to help members to preserve their complete independence and objectivity in dealing with public business. I quite agree with him. This applies with equal force to both members and senators. But particularly when you look through the list of senators, both in the Parliamentary Guide and the directory of directors, and you see the number who have directorships in banks and life insurance companies, as well as other companies which have direct financial dealings with the government, then I think I am quite in order and very much to the point when I say that the position in that regard should be reviewed. I believe the Senate and House of Commons Act should be tightened up with respect to that relationship.

I ask you to bear in mind that under other legislation which is proposed the banks will be making loans guaranteed by a government corporation. There are large numbers of senators who hold directorships in banks, and in life insurance companies which also make guaranteed loans. I am not at all sure that situation should be allowed to continue. I believe that at a time when we are discussing our own indemnities we should take a good look at these related matters.

Then, too, I think it is appropriate to consider whether members of the cabinet should be allowed to hold directorships in corporations which have direct dealings with government departments. We should consider whether or not there should be some amendment to our legislation in that respect.

The Chairman: Order. Once more I must draw to the attention of the hon. member the fact that we are discussing a resolution, which I hope he has read, which has no bearing on the remarks the hon. member is now making.

Mr. Fulton: I do not want to engage in a controversy with the chair, because I do not like to do that. But I must say, although I have practically finished my remarks on that aspect of the subject, with respect, sir, I do not think your ruling is correct. This resolution starts out by saying:

> That it is expedient to introduce measures to amend
>
> (a) the Senate and House of Commons Act to increase the salaries of the Speakers and the Deputy Speaker, the sessional allowances of members of the Senate and of the House of Commons . . .

What we have under consideration is a proposal to amend the Senate and House of

Commons Act. While it is true the resolution goes on to suggest specific ways in which that act should be amended, I have already advanced reasons why I think the considerations I was putting forward are pertinent to the subject being discussed. I rest my case also on the larger ground that when we consider the advisability of amending the act it is quite in order to suggest that there are other respects in which it requires amendment. Speaking for myself, I say without any hesitation that I believe the act should be amended to make it impossible for ministers to hold directorships in corporations having dealings with government departments.

These are all matters, you see, on which it is difficult for private members or members of the government to hold impartial views. In that respect, I believe a study of the matter by a royal commission would be beneficial because such a commission could say whether the moral principles, if I may call them that, which gave rise to the provisions of the Senate and House of Commons Act are applicable today, or whether they should be relaxed or tightened. I just do not think it is good enough for us to take the high moral position that the reason for increasing the indemnity is to enable us to preserve complete independence and objectivity in dealing with public business, if we are not prepared to consider also that act which lays down the code of conduct of members of the parliament.

Then I believe, too, that the question of whether or not the Senate and House of Commons Act should be tightened up with respect to the arrangements made for members receiving these indemnities should be studied by a royal commission. If this bill becomes law, we are going to be placed in the position of receiving a substantial sum of money. In anyone's language $10,000 is a lot of money. In so far as we can, I think we should place ourselves in a position above reproach in respect of the receipt of that money, and indeed with respect to the receipt of our indemnity whatever it may be.

In view of some of the remarks which have appeared from time to time in the press, and having in mind, as we all have, what we know about the way in which the permissible absences from the house can sometimes be exceeded without any corresponding reduction in indemnity, I feel that while we have the Senate and House of Commons Act under consideration, while we have the matter of increasing our indemnities under consideration, we should consider also whether we should not introduce some method which would ensure that for a person to receive the indemnity, whatever it may be, he must in fact devote that attention to the business of the nation which the rules and regulations set out. It is my own view that the act itself, and the regulations in that regard, are in need of substantial overhauling.

For these reasons, amongst others, I think it desirable that we should have the benefit of the study and advice of a royal commission before the house proceeds to deal with a subject which so intimately affects every one of us. The very intimacy of the relationship makes it extremely difficult to preserve an attitude of impartiality in dealing with it.

Hon. members to my left, both in the C.C.F. and Social Credit parties, scoff at the idea of having a royal commission. They say we would be surrendering our responsibilities, Mr. Chairman. Well, for years and years now there has been talk about reforming the Senate. I am one of those who agree thoroughly with the Leader of the Opposition when he says that rather than say the senators should not get an increased indemnity, we should so reform that body as to ensure that it can discharge the functions it was originally intended to discharge. Then there would be no question but that senators would merit it.

The Chairman: Order. Surely the hon. member will agree that reform of the Senate cannot be discussed under this resolution.

Mr. Fulton: It has been referred to on a number of occasions this afternoon, and it does seem to me in order when this resolution refers to the Senate. If this resolution carries, senators are going to be in receipt of an increased indemnity. The Senate is a part of the governmental structure of Canada, which is very much before us at the present time. All I am saying is I do not think there is a single member here who would fail to agree that it would be desirable if we found some method of reform which would avoid, in the future, those criticisms which have been levelled at that body in the past. The criticism that has been made in the past is not desirable or happy from the point of view of preserving the dignity of parliament, but I am convinced it will continue—and should continue—if the present situation continues without reform.

If, as appears to be the case, it has been beyond the powers of the Liberal party, with all the ability and brains of the cabinet and all the ability and brains of the national Liberal advisory council or whatever they call it, having been in power for the last 18 years, to find some method of reforming the Senate, notwithstanding that this plank has been in their platform since time when

"the memory of man runneth not back to the contrary", then I believe if it is that difficult for the government to find some method to reform the Senate this subject might well be referred to a royal commission. That being the case—

Mr. Knowles: It would be better just to abolish it.

Mr. Fulton: I do not agree with my hon. friend's point of view there. That being the case, there are, it seems to me, unanswerable arguments in favour of that method of dealing with the subject, arguments which show not only that you are not just doing the right thing the wrong way, but that you are doing the wrong thing in insisting on this resolution being carried in the house at the present time.

I might ask my hon. friends—and I am not making the suggestion for the opposition, because I am not authorized to do so—whether, if they and the government object to a royal commission, they would agree that the subject should be referred first to a special committee of the house in the same way as the pension legislation was referred to a committee of the house before it was ever introduced either officially by resolution or in any other way in this chamber?

I think I have said sufficient, Mr. Chairman, to indicate why I do not feel, in the absence of any indication from the Prime Minister that these suggestions will be accepted, that I can support the resolution.

By way of summary I would suggest that the following are matters which should and must be dealt with before this matter can come properly before the house and before the house can properly be asked to pass upon the subject. First, there is the question whether or not it is intended to introduce an amendment to the Members of Parliament Retiring Allowances Act; second, whether or not we shall get a prior assurance and commitment that there will be any measure of reform of the Senate which will ensure that the increase in indemnity there will be justified; and third, whether or not the Prime Minister will assure us that this matter will be referred for study by a royal commission or committee of this house.

Mr. Pouliot: Mr. Chairman, you know very well that Winston Churchill hated to talk about his money troubles. Of course it is a delicate matter, but it is a matter which should be considered in order to decide whether or not the indemnity should be increased. Without expressing a definite opinion against the increase, hon. gentlemen of the Progressive Conservative party have suggested that the matter should be dealt with by a royal commission, without mentioning what people they would like to have on the royal commission.

Mr. Fulton: We would be ruled out of order if we did.

Mr. Pouliot: As a rule, royal commissioners are judges. Sometimes it is one judge, sometimes several judges. In other cases the royal commissioners are men of importance who do not belong to the bench. With regard to the bench, the judges should be disqualified for two reasons.

Mr. MacInnis: I know one of them already.

Mr. Pouliot: In the first place because, according to the elections act, they do not have the right to vote in federal elections. They are disqualified from voting and therefore they are by themselves a class—

Mr. MacInnis: No, they are not by themselves.

Mr. Pouliot: —which is apart and completely outside politics in order to maintain their perfect impartiality. This is the first ground for impeaching judges as royal commissioners to decide whether or not the parliamentary indemnity should be increased.

In the second place, since the judges are very busy and since they do not know anything about our problems, because those who were in politics previously are supposed to have given up their former links with political parties, they would not be in a position to decide whether members of parliament are entitled to an increase in the indemnity.

Mr. Knowles: They would probably recommend that their own salaries be raised.

Mr. Pouliot: Then there would be no objection from the opposition.

Mr. Stuart (Charlotte): Hear, hear.

Mr. Fulton: What would the government do with that?

Mr. Pouliot: Just a minute; I did not interrupt the hon. member, although I was eager to do so.

What astounds me is that any time there is an increase suggested in the salary of a judge or a high official, anybody who is not a member of either house of parliament, it is swallowed like a gulp of water by hon. gentlemen of the opposition. I remember perfectly well that in the railways and shipping committee two years ago the Minister of Transport asked the question whether he should tell the salary paid to Mr. Donald Gordon as president of the Canadian

National Railways. Without a voice of dissent it was decided by the committee, on which were some Conservative members, especially the hon. member for Kamloops, that we should not be told the amount of salary received by Donald Gordon, which is more than that received by the Prime Minister of Canada.

Mr. Fulton: How do you know; have you been told?

Mr. Pouliot: Well, this question was put by the Minister of Transport: "Should I tell the committee the amount of the salary paid to Mr. Gordon"? It was decided unanimously that the answer should not go on the record. The hon. member for Kamloops is a member of the railways and shipping committee. Whether he was there I do not know, but other members of his party were sitting there and there was no objection from anyone with respect to a salary which is known to be higher than that of the first citizen of Canada, the Prime Minister. That is one point.

I am sorry that the Leader of the Opposition did not ask me for a suggestion for a text—

Mr. Drew: I did not find it necessary.

Mr. Pouliot: Just a minute—for a text for the oration which he delivered this afternoon. It would have been a Latin text from the Bible: *"Piger vult et non vult."* The idle —this does not apply to the hon. gentleman, who is a hard worker—is willing and he is not willing. He was willy-nilly, willing and not willing. Imagine one of his constituents from Carleton being in the gallery and listening to him speak. Afterward he would be met by someone else who would ask him, "Was the Leader of the Opposition, your member of parliament, for or against an increase in the indemnities?" The constituent would have to reply, "I have the highest consideration for my member of parliament and he was clever enough not to compromise himself on that issue. Was he for or was he against? I don't know."

An hon. Member: Barkis was willing.

Mr. Pouliot: Then what about the other legal luminaries of the opposition? I enjoy the smile of the hon. member for Prince Albert much better than his frown. Let him smile; let him beam. He will say, "royal commission". The hon. member for Kamloops was non-committal. He was for a royal commission. Was he for or against the increase? No one knows. I listened to him with joy, as I always do, to try to find out how his mind was working about it. I am sorry that his skull is not made of clear glass; I am sorry that his skull is not crystal clear to permit me to see.

Mr. Fulton: It is nice to have your admission that you are not a mind reader.

Mr. Pouliot: I am not a mind reader, but I would like to be. If the object I mentioned was crystal clear I would be in position and anyone would be in position to be a mind reader. But let us forget all that.

Imagine a royal commission composed of the Leader of the Opposition, the hon. member for Prince Albert and the hon. member for Kamloops sitting together. How embarrassed they would be. They would have to decide something, and it takes them a long time to reach a decision. They have not reached it yet. Imagine the tremendous amount of work they would have to do. They take things seriously. Suppose all the members of parliament were in some great building such as the Supreme Court of Canada. We would be in those spacious halls and we would see them on the bench, but before being sworn in they would hesitate to accept.

The Chairman: I am extremely sorry to interrupt the hon. member in view of the close attention being paid to his speech, but I would ask him to co-operate with the Chair in discussing more particularly the resolution before the committee.

Mr. Pouliot: I will tell you that I do not want to be interrupted when I am in order. I hope this is the last time I am interrupted like that, because otherwise I will have something to tell the Chair.

The Chairman: I think the hon. member—

Mr. Pouliot: I withdraw. Now to continue my argument.

We are there and the royal commission is to sit. When I mention the royal commission I am mentioning a body which has been advocated by some hon. gentlemen to act in lieu of themselves to make a decision they were afraid to make themselves. We know that the Progressive Conservative party has a tradition. The Progressive Conservative party is a continuation of the Meighen and Bennett and Bracken parties which I have known. They will remember that in 1930—

Some hon. Members: Order.

Mr. Pouliot: —there was an understanding—

Some hon. Members: Order.

An hon. Member: It hurts.

Mr. Pouliot: —between members of parliament to increase the indemnity from $4,000

to $6,000. The reason it was not voted upon when the members of parliament were entitled to that increase was that at the last minute Mr. Bennett forbade the representative of his party, one of three who were to report to the Liberal prime minister, Mr. King, to attend the meetings with regard to the increase in the indemnity. I know very well—

An hon. Member: He was a millionaire.

Mr. Pouliot: —that if the indemnity had been increased we would have been told that the Liberal party had been defeated because of that increase in the indemnity. It is an argument that was to be used by Mr. Bennett and his followers just the same as it was, something like the speech made this afternoon by a new member who has had very little experience in politics.

There was something else. It was that same Mr. Bennett who imposed a tax of 10 per cent on all salaries, including salaries of members of parliament whose indemnity at the time was $4,000. They had to pay $400. Then Mr. Bennett and his colleagues, many of whom were millionaires, had the smart idea, the clever idea of increasing the salaries of the members of the cabinet by a $2,000 allowance in lieu of automobiles. While poor devils like myself and others had to pay $400 to the public exchequer as taxation, the millionaires who were sitting on the treasury benches were getting more than before. That was the Tory policy.

I wonder if my hon. friends would like to use that argument in an electoral campaign. What about that? Would it not be shameful? My hon. friend who has just spoken said that members of parliament should establish their case. Each member of parliament knows that his life is a life of sacrifice as well as of duty, and often it is very hard to get out of political life except when one is defeated and then sometimes it is a relief.

Mr. Fulton: Is this a prophecy?

An hon. Member: For you.

Mr. Pouliot: Louder, please.

Mr. Fulton: I was asking the hon. gentleman if he was indulging in prophecy in addition to clairvoyance.

Mr. Pouliot: Louder, please, and more distinctly.

Mr. Fulton: I have never found the hon. gentleman hard of hearing except when he prefers not to hear, so I do not think it is necessary for me to repeat what I said.

Mr. Pouliot: I am very sorry. The hon. gentleman should take his medicine.

Mr. Fulton: I am.

Mr. Pouliot: My medicine, as well as I took his. Besides that, I do not want to teach anything to my hon. colleagues. They know their own difficulties and their own troubles. They know how painstaking political life sometimes is and how our efforts are sometimes received with or without gratitude. On the other hand, we do these things as good sports. I know members of parliament today have many more problems than they had 30 years ago. All that social legislation means a great deal of work and members of parliament, even the three gentlemen of the opposition whom I mentioned not long ago, have much more work today than we had a number of years ago. Everyone goes to his member of parliament for information, and sometimes it is difficult to get sufficient information to satisfy their requirements.

My hon. friend from Macleod mentioned some press clippings with regard to the general feeling of the press about this matter. I will not mention any names, but everyone surely recollects the articles which were published in all the periodicals and dailies concerning the dependents of a colleague of ours who possessed one of the most brilliant minds in Canada. He died relatively young and left his family in dire circumstances. It was on that occasion that the press were unanimous in declaring that something should be done for the dependents of members of parliament. There was not one word of criticism; it was unanimous. Newspapers of all political parties expressed the same view.

If I were thinking of political considerations in speaking tonight I would make a demagogic appeal against the members of the opposition who have spoken. But it is beneath me to do that. I want to consider this question on its merits. Each member of parliament knows the services he renders to his constituents. It is not for him to enumerate them, but he must know what he has done for his constituents and for his country. On the other hand, his constituents know the service he renders to them, and they are grateful to their member and they know he is doing his very best to serve them.

My hon. friend spoke of a desire to serve. There is more than a desire to serve. There is the service, and service should be fulfilled to the satisfaction of the people. How many times do I regret that I have no independent means; that I cannot afford to give scholarships to bright young boys. I try to help them as best I can. I would like to have money, heaps of money, to distribute among my people. Unfortunately I have not—

Mr. Knowles: Maybe it is fortunate. Maybe that is why you are a member of parliament.

Mr. Pouliot: I will tell my hon. friend that we feel the same about it. There is nothing more pleasurable than to give when asked, and there is nothing sadder than to be unable to make a gift, a grant or give some kind of help. We do what we can, but we have very limited means.

Time does not permit me to speak much longer, but I have one example to give and it does not come from the United States where congressmen receive in indemnities, salaries, etc., more than $40,000 a year. This example comes from my native province of Quebec where the sessional indemnity has been increased from $4,000 to $6,000, as much as we receive now, and the only difference is that the Quebec sessions last two and one-half months while ours last six months.

An hon. Member: Seven months.

Mr. Pouliot: The correspondence we have to deal with today is as voluminous as that of our provincial colleagues. Therefore, sir, in concluding I say there is no reason to oppose the increase in the indemnity except for political motives, if there is one, and I think highly enough of my hon. friends opposite to presume they have no such motive in their minds. If members of parliament believe in all sincerity, in all earnestness, and in all honesty that with the present indemnity they cannot make both ends meet and they have to borrow money to live—then, sir, the only thing for them to do is to vote for the proposed indemnity or resign. There is no choice about it. If members of parliament who favour the increase decided to resign and submit the issue to their constituents, they would be re-elected by a tremendous majority; and if those who have been non-committal did likewise, they would be told by the electorate, "You, tepid; we have had enough of you".

Mr. Macdonnell: Mr. Chairman, I always listen with great interest, and usually with great pleasure, to the hon. member for Temiscouata. I listen to him always with great pleasure when he is being witty, as he so often is. I observed that one flash of his wit tonight greatly impressed hon. members opposite particularly, when he asked what the attitude of the Leader of the Opposition was, was he for or against. It was very funny, Mr. Chairman. The only thing I want to suggest is that, like the flowers that bloom in the spring, it had nothing to do with the case.

As I understood the Leader of the Opposition this afternoon, he made it clear that he was not questioning an increase in the indemnity; and so far as I remember he made no criticism of the figure suggested by the Prime Minister for the indemnity. What the Leader of the Opposition did say was that we on this side of the chamber should not be asked to vote, without any inquiry, automatically, mechanically, and unquestioningly for this proposal just as if we were all members of the government party. He asked that there should be some inquiry whereby, in dealing with this matter, we might be furnished with information which would, I take it, have two purposes. First, it would make clearer in our own minds what we are doing. In the second place, I would hope it would make clear to the public of Canada what we are doing, so that if and when this is done, it will have been done in the best possible way. To me that seemed to be a reasonable request, and I am not without hope that it may have seemed reasonable to the Prime Minister also.

Mr. Mang: Mr. Chairman, I wish to say just a word here. I find myself in a rather peculiar position with regard to this resolution. Some years ago I was elected as a kid member in Saskatchewan. That was in 1934, when we were led to victory by the present Minister of Agriculture, the hon. member for Melville. At that time I well remember that we had a discussion on the question of indemnities, only at that time the position was reversed. That is why I am in a rather peculiar position when it comes to making a decision on this resolution. At that time, we as members decided to reduce our indemnities; that is, we were going the other way. We reduced our indemnities. I would point out that that was in 1934, when the reduction meant a considerable amount of money to us. Tonight I am confronted with having to make a decision on whether or not to help raise the indemnity. Of course if we want to raise it, and some of us do not want to retain it, I suppose we are at liberty to turn it back in.

I just wish to make one more remark in order to show my additional confusion, and it is this. Ten years afterwards, in 1944, when the C.C.F. party took over in our province, they took over just as strongly as we did in 1934. We were 50 to 5; that is, we were 50 Liberals to 5 C.C.F. In 1944 it was just the other way around. Among the first thing this group did was to raise the indemnities; they increased the number of their ministers and raised the salaries.

Out of this discussion tonight I hope that in some way I shall be able to make up my mind just what to do, but I find myself in an interesting position, and I just wanted to state it.

Mr. Byrne: Mr. Chairman, it is perhaps unfortunate that I did not take more time to prepare an address for the purpose of this particular debate. It would, of course, only be necessary for me to jot down a few notes. Since I have been here—and I came in 1949—I think there has been before this house no legislation with whose aspects I am more familiar. This is one piece of legislation as to which I do not need guidance by a royal commission. I do not need a royal commission to tell me whether or not I feel that I should, in conscience, vote for an increase in the indemnity of members of parliament.

It has been said that, in taking cognizance of this legislation, a member should not be swayed by his own personal views. However, I fail to see how it would be possible for any member to vote intelligently on this question unless he gave some consideration to how it affects him—because, after all, he is the member of parliament—and the public in general. Anyone we might appoint to a royal commission would not be familiar with the various expenses of a member, the various things to which a member of parliament is expected to contribute, or just how his affairs need to be handled.

I wonder how a royal commission would proceed. Would a royal commission inquire as to the standard of living of the various members of parliament, as to what they live in when they come to Ottawa, what their occupations are at home, what they live in before coming here and so on? Just how would they determine whether a member needs additional income?

The strange thing about this matter is this. The first time I heard the matter broached in the House of Commons was by a Conservative member who, I am led to believe, is not exactly a poor man. I refer to the hon. member for Simcoe North. That was some two years ago. That is only a remark by the way, but it is an indication. For my part, I know that for the last several years the matter has been discussed amongst members and parties, in the hope that there was a general intention of making life here as a member of parliament more amicable. It is for that reason I am quite confident that it did not come as a surprise to any member of the opposition that this question would be raised following the general election of last year.

If we were to get down to cases—and I do not think it should be necessary—and if we were to consider the hours of work, for instance, as I have done as a union officer when we were making representations before management, I might point out that most members of parliament arrive at their offices here between nine and ten o'clock in the morning. It is seldom that they leave before the hour of ten; and until the last parliament, I believe it was, they remained in the building until eleven o'clock at night. That means a 14-hour day with, of course, time off for lunch and so forth; but they are more or less on duty that full time. Apart from the hours, I do not want to go into the matter of actual pay for work done, because that was not my intention when I came to this house. On that basis alone I believe there is some justification for doing something about increasing the indemnity.

I have travelled considerably with union officers who represent the people in another sphere than as members of the House of Commons. Very few of these people, and rightly so, are paid less than $6,000 a year. As happened in my own case when I was a union representative, from the time a union officer steps into a taxi at the door of his house when proceeding on any type of union work until the time he gets home he is paid his expenses. That amounts to quite a large sum of money. When a member of parliament reaches his home after leaving the house at the end of a session it is necessary for him to travel much more than a union officer, but he does so at his own expense.

In saying this, I do not want my constituents to feel that they are taking advantage of me when they ask me to go here and there throughout my riding, but I simply wish to point out that every time you step into an automobile these days and drive a few hundred miles it runs into quite a large amount of money. Those are some of the reasons I think the work we do and the amount of time we spend on it justify more than $6,000 a year.

I might mention in passing that quite a number of miners in Canada made around $6,000 last year. It is true that their work is much more arduous, but they are living at home and their expenses are certainly not commensurate with those of a member of parliament. I do not think they want their members of parliament to live in any poorer circumstances than those in which they are able to live.

Certainly when one is discussing these things one has his own personal situation to consider. So far as a young man with a family is concerned, a semi-monkish existence is no existence for him at all. It is not a good thing for him to have his family in the far west, to live here and have to maintain two homes, and it certainly is an expensive arrangement. If such a member moves his

family here he runs into much more expense than is involved in living at home. No matter how you look at it there is considerable sacrifice, and unless a man is willing to live in a garret and put up with much poorer conditions than in his own home he cannot expect to carry on.

A number of hon. members on the opposition side have made reference to the fact that considerable time is spent by some members away from the house, that there is some absenteeism and so on. I think it would be unfair to point to any one member or group of members, but it may be that those with professional practices in their ridings are in a much better position financially than those of us who have to work in mines or factories, and they might be inclined to be absent from the house more than those who do not have these businesses.

I thought the hon. member for Moose Jaw-Lake Centre repudiated his own people this afternoon in a manner which I would not think would be acceptable to them. My contention has always been that a member should maintain connections with his own riding and that he should not become a professional politician. I am quite confident that any young married man attempting to raise and educate a family and having to move them back and forth across this continent will not become a professional politician for the sum of $10,000. The amount will have to be considerably more before such a man will be induced to become what the hon. member has called a professional politician.

But I do believe there are some in the C.C.F. ranks who make a calling of being a member of parliament, and I am sure that if they do they should not be called professional politicians. They are making a very great sacrifice, and I certainly think they deserve all the credit we can give them. But I cannot see how they can maintain and educate a family, and look forward to further education of their families, on $6,000 a year as members of parliament.

Mr. Gillis: Mr. Chairman, I do not want to talk out this measure, but I have a few words to say on it. As will be indicated when the vote is taken, and as has been suggested so far by the speeches made by members of this group, we are completely democratic. We are split three ways, which indicates that members of our group are completely free. As far as I am concerned, I want to say that the Prime Minister in introducing this measure is making an honest attempt to solve a problem that has existed for some considerable time. I do not think anyone can accuse him of having any personal motives. This will probably be his last term, and to my mind he fits pretty well a definition I have seen, namely that a politician thinks in terms of elections and a statesman thinks in terms of the future generation. He is laying the groundwork for his successor.

I think it is incorrect to say that this measure requires more study, that it has not been thought of, and that it comes as a surprise. I have heard it talked about in the corridors for the past four years. I have heard it debated in the cafeteria and I have heard it psychoanalysed in the parliamentary restaurant. Therefore I do not think anyone is fooled when someone tries to kid us that we do not know one another's opinions about this matter, because we do.

With respect to the idea of a royal commission, I think the hon. member for Rosetown-Biggar was absolutely correct when he said that it was an attempt to shift responsibility. Royal commissions are not new things. The people in the part of the country from which I come look upon royal commissions with a great deal of suspicion, because they recall that in the past we have attempted to solve all the problems of this country by means of royal commissions. These commission reports never accomplished anything except to gather dust in the archives. The hon. member for Temiscouata is quite right when he says the commission would likely be composed of members of the judiciary. They would be barred from membership in the commission on a ground which the hon. member did not mention. They would be dealing with a matter in which they were personally concerned, because we establish their salaries and if they did not pass substantial increases for us they might not get their own salaries increased. We would have to go to some other profession to get a commission to handle this problem.

A commission was established in the United States, and hon. members are familiar with what happened there. No doubt that commission was composed of jurists, but despite the salaries which congressmen are getting the commission recommended a 100 per cent increase. You see, the members of the judiciary have rather lucrative salaries, and live rather well. They may set standards for us which are too high. There is no solution there.

Someone suggested a poll of public opinion across this country. A poll of public opinion was taken in the United States. People with good salaries and with poor salaries were canvassed. I have seen the results of that poll; as a matter of fact I have them here.

The housewife and the chap with a small millinery shop, the people with poor salaries and substantial salaries, all were canvassed, and there was not one person in that group who said the net income of a member of congress, after taxes, should be less than $20,000 per year. Many of them said it should be $25,000.

The two suggestions made by the Leader of the Opposition are not workable here. They were tried in the United States, and the opinion was that the top executives of the country, the people who pass the laws and who have the power to declare wars, to requisition your boy or girl for service, and who have to take that responsibility, were entitled to a great deal more remuneration than they are receiving now.

I am a strong believer in equal pay for equal work. If you are going to measure from that standard—and I firmly believe that is the standard that should be used—our opposite number, the congressman in the United States, receives a higher indemnity than we do. It is the philosophy of the union movement across this country to try to raise our standards to those of the United States worker for comparable work. I think we are in good company when we take that position in this house. I feel that I am worth as much, I feel every member in this house is worth as much, as the congressmen in the United States. We shall not reach their position in one jump, but it is a goal for which we should strive. I do not believe in pulling down the standards.

There has been a reference to the War Veterans Allowance Act. I know all about that act because I had the privilege of helping to write the first draft of it some time ago. I have followed its course ever since, trying to shove the allowance up as high as I could. Hon. members who use the recipients of old age pensions and war veterans allowances as an argument here are using an argument which does not belong here. I believe the hon. member for Moose Jaw-Lake Centre said that the amount involved in this proposal might be $1·5 million. If you take that money and apply it to the old age pension or the war veterans allowance and other social legislation in this country, it will not mean anything by way of increase. It certainly is not an argument that can be used here.

The people in the part of the country from which I come will not need explanations about this measure. A good many times in the past they have asked me what was the matter with members of parliament. We went through a war with a $4,000 indemnity which was taxed to the hilt. We had no expense allowance, and were the only people in Canada who had to spend about half of our income in earning our income, and who did not have a tax offset for that expense. Some of my people used to ask me what was the matter with the fellows up here. They said, "How can we expect you to do something for us when you will not do something for yourselves?" They thought we were carrying a load which we should not be carrying, and that we should go after some exemptions.

I have no hesitation in saying that I see this measure as introduced by the Prime Minister as a start on something I have been thinking about for many years. Before I came to the House of Commons I viewed it as a rich man's club; but unless you had sufficient income to look after your family for 12 months you just could not afford to take a vacation for two and a half months and live on the indemnity that was paid at that time.

In my opinion the indemnity was designed at that time to be used for the purpose of keeping people out of this forum who were not in a financial position to support themselves and take a vacation until the next election came along. The main criticism in my part of the country has been that you see a member when he is seeking election, but for the remainder of the four years you never see him. When I accepted the nomination, I want to say that I did not seek it. I did not want it, and I nominated someone else at the convention and made a speech for him. The convention said that I could not decline. We ballot and if you are the nominee, you are it.

Mr. Knight: The speech did it.

Mr. Gillis: No, I spoke for the other fellow. I accepted on the ground that it was a full-time responsibility, and I did not come back into office to make money for myself and forget the people who sent me here. I have not done that. I have gone back among the people and worked for them. When this house is in session I come here and do the best I can for them. You try to carry on in that way, and ultimately it will have to be done that way; because a member of this house who strives to carry out his responsibility in the general affairs of the country, who tries to understand international problems and so on, has to do a lot of reading and thinking, and he has to spend all the money he gets in meeting the demands that are made upon him.

I know that has been my experience. I want to say this. I am not an extravagant

person, and my own standards are not high. Upon each and every occasion I have come back to this house since I was first elected, I have been in debt and I am still in debt. I believe the people of this country do not want to place their member in the position he is in now. He is not able to get around and do his work. They do not want him to live in cheap rooming houses. They want him to be on a par with other executives in other organizations across the country. The average member who is trying to make this as nearly as possible a full-time job has not been in a financial position to do so for the last 12 or 14 years.

You can take the argument of cheapening things and discuss other emoluments that are lower. The school of thought I was brought up in does not think in that way. Take, for example, the position of the wage earner in this country today. Our wages are pretty high in comparison with India, Africa, Japan and other countries that we are going to have trouble with in the future in matters of trade. But the trade union movement of this country are not taking the position that they are going to lower their standards in order to compete with the low wages of those countries I have mentioned. They are organizing themselves, and they are sending men out to India, Africa, China and Japan to organize the workers, to lift the standards in those countries so they will not pull us down because of underselling us in world markets or even coming into our own country in the future.

That is the principle that is involved here. As far as I am concerned, all the money I get here enables me to do more work in this field in which I am engaged. I consider it is missionary work; I consider it is educational work; I believe that we have to get out and around, to keep in touch with our people. We are living in an uncertain world. We have to keep informed in order to do our work, and you must have ways and means of getting around.

I do not want to talk this matter out tonight. I just wanted to say what I have said. I am backing this matter from the resolution stage to third reading, and I am complimenting the Prime Minister on having the courage at this time to bring the measure into the house.

Mr. Zaplitny: Mr. Chairman, in rising to oppose the resolution I want to say at the outset that I have only the highest possible respect for views which may be opposed to those I express, and which may be held by other hon. members. I believe that both the Prime Minister and the leader of our group were quite right when they said that on a matter such as this each individual member should use his own best judgment rather than take it as a partisan matter. I am speaking, therefore, for myself, expressing my own personal views.

I have no hesitation in saying that I oppose this measure on the ground first of all that, in spite of what has been said here that there had been some hints or indications that something of this nature might be brought down after the election, I was neither informed, consulted, nor even heard the hint anywhere before August 10 that it was the intention of this government to bring a measure such as this before the house at this session.

I believe it is our duty to keep good faith with our electors. Had this matter been submitted to the electors of Canada previous to the election, and had the Prime Minister, when he made his radio broadcast to which he referred, in which he announced that he would press for or recommend certain changes in the rules of the house which might bring about greater efficiency, at the same time announced that the government intended to bring forth a measure to increase indemnities and salaries as contained in this resolution, then the people across Canada would have been informed and would have known of the intentions of the government. They could have discussed the matter in an open, democratic manner, as they have the habit of doing, with all the candidates in each of the ridings. I do not say they would have taken this stand or the other stand, because I do not think we know at the present time what the opinion of the people of Canada is on this issue which was not submitted to them for their consideration.

On that ground I would have to oppose the resolution, but there are other reasons. One of the reasons is that in the Prime Minister's address he made reference to the fact that the cost of living had risen rather substantially in recent years. I can remember so vividly how many times in this very house my colleagues warned the government in 1945, 1946 and years following, as did many other hon. members, that the actions they were taking or contemplating in abolishing the controls that we had—price controls—would result in a situation where there would have to be increases in salaries, wages and so forth, right across the board. The government did not heed those warnings. They brought on the situation themselves and, as a matter of fact, took a rather stubborn attitude on many occasions, as much as to say, "We do not need your advice; we know what we are doing." Now we are faced with this situation, and it is

still not clear—it may be made clear before this debate is finished—as to whose request is being carried out.

Upon whose request is this measure being introduced? The Prime Minister of course said quite properly that he and the government are prepared to take full responsibility. It is a government measure. But that is not the whole story. Certainly it was not the prime minister in council who simply got the bright idea and said, "Let us suggest to the house that we raise the indemnities by $4,000 and see how the boys take it".

It must have gone further than that. The request must have come from some responsible group of persons in this country. Was it the rank and file members of the Liberal party? If that were so I believe this house should be so informed. Then we would at least know where this thing originated. As it is now, it is something put before the house and the only justification given, that I can see, with any substance behind it is the fact that the cost of living has risen and we therefore must make some provision to see that the average member of parliament may continue to do his work.

If that argument holds good for the members of this house, and the members of the Senate, members of the government, the Leader of the Opposition and all others concerned, surely the cost of living has not fallen for the rank and file wage earners, farmers, and other people across this country. They have suffered just as much at the hands of the government's decontrol policy as have the individual members of this house. Then because we happen to be in the position—I speak collectively as a whole parliament now—where we are temporarily the custodians of the people's tax money, that does not excuse us nor does it excuse the government for neglecting all those other groups and not providing something for those who are not so close to the source of supply, unless you are willing to accept the old legal proverb that possession is nine-tenths of the law.

It has been suggested that this matter be submitted to a royal commission. Obviously I would not support that suggestion, though if I were on the other side of this question, if I were in favour of an increase, I would think there might be something to that proposal because there would be something to investigate. But since I am not supporting the measure I obviously see no reasons for submitting anything to a royal commission. Our experience with royal commissions has been such that it appears to me the end result if we submitted this question to a royal commission would be that instead of adding a burden of $1,500,000 to the taxpayers we would be adding an extra $500,000 and making it $2 million, because royal commissions have to be paid also. Let us not forget that. They do not do their work for nothing. I see no reason why we should add cost upon cost.

I am speaking for myself when I say I am opposing this resolution. I repeat that I respect the views of all others who have spoken. It is quite clear that this is not a question as to whether we need an increase. It is not a question which can be decided by speaking of all the members of the house as a unit. We are not all in the same position. It is an academic question which could be debated for years. Sooner or later this parliament will decide, and naturally the majority view will have to be accepted and respected. But I shall make my stand perfectly clear, on the ground that this was not submitted to the electorate, nor was any opportunity given to us who participated in the election to submit it to our electors, or even consult with them or discuss it with them in any way. On that ground alone I find it impossible to give my support to this measure.

Mr. Drew: Mr. Chairman, I want simply to clear up one or two points which have been raised, in view of the fact that there has been an obvious attempt to obscure the issue that was presented. The question was not that there was any objection to rewarding or reimbursing members in keeping with their responsibilities. It was stated clearly several times and quite emphatically that in our belief the people of this country were quite prepared to provide from public funds an adequate return to members of parliament. But that does not deal with the other problems that are raised.

The resolution before us does not deal alone with members' allowances or indemnities. As I said before, it is a rolled-up package. Members are to vote on an increase for the members of the Senate, about whom not one word has been said by way of support, by way of argument or by way of evidence. They are increasing cabinet ministers' salaries and the salaries of the leaders of the opposition in this house and the Senate by $9,000, but not one word has been said as to why that should be done. When I say "by $9,000" I mean by the $4,000 they will receive as members and the $5,000 which will also be granted to members of the government. Not one word has been put forward to explain how that figure was arrived at. Where did it come from?

I repeat what I said this afternoon. This house has been told over and over again that we must be cautious about handling public funds. There are a number of matters about which the people of this country are pressing for action, and we are told that there must be a great deal of consideration before any commitments are made. It was my hope that by suggesting a royal commission we would provide a method of inquiry into this and the other matters raised by this motion which would not leave the suggestion that while we were insistent upon the last bit of evidence to support the needs of others who depend upon parliament, we were in great haste to pass legislation—and without evidence—that would bring benefits to members of parliament themselves. It is as simple as that.

Mr. Chairman, a great deal has been said about the suggestion of a royal commission. If the Prime Minister would say that he would agree to a select committee and throw it wide open, I would say that while I favour a royal commission I would not object to that method, which was the method employed at Westminster on the last occasion a change was made there and which has been employed on similar occasions here. I say that by one method or the other, by a royal commission or a select committee, we should be in position to obtain more evidence that we have now.

We have no information as to how these figures were arrived at that are now before us. What happens in regard to the pension? Unless there is legislation that is not disclosed, the pension will be increased by this procedure. Should there be no examination of that subject? Should there be no evidence as to the actuarial problems involved and what it will cost the public treasury if that is done? We are not accepting our responsibilities as members if we agree to support a resolution which says it is expedient that this legislation be introduced unless we have evidence before us to support that contention. That is our position.

When I suggested a royal commission it was not that I was wedded to that proposal. It was simply that I was asking that we have information which we should have. It is very interesting to hear hon. members on the opposite side speak in such contemptuous terms of royal commissions. One statement that was made was that all any royal commission has done is make a report which goes to the archives to gather dust.

Was that the purpose of the royal commission on the arts, letters and sciences? Was that simply a cynical waste of public money? Was that simply an attempt to send something to the archives without any consideration? The royal commission on the arts, letters and sciences was set up under a distinguished Canadian to report on subjects of concern to Canadians. I have not heard previously the cynical suggestion that this was simply a device to avoid responsibility.

When it is suggested by the hon. member for Temiscouata that the appointment of a commission is only to avoid making a decision—

Mr. Pouliot: Hear, hear.

Mr. Drew: The hon. member says "hear, hear." Then I ask was that the reason the government appointed the commission on the Saskatchewan dam? Some have suggested that it was.

Mr. Fulton: Yes; no doubt about that.

Mr. Drew: May I ask him if that was the reason they appointed a royal commission in regard to certain problems in the maritime provinces? Was that the reason they appointed a royal commission on freight rates? At least there are some of us who think those commissions did provide interesting and useful information, whether or not members of the house agreed with everything that was put forward. No matter whether we agree with all this government does or with the reports of commissions, we have not gone so far as to suggest that on every occasion they have appointed a royal commission it has been with the entirely cynical purpose of simply avoiding responsibility.

It was said tonight that it was uncertain where we stand. There is no uncertainty. We have stated that we believe there should be an increase in the indemnities and allowances paid to members, based upon inquiry which will give us some information as to how the figure is arrived at. But that is no reason why we should give a blank cheque for everything else contained in this proposal. Certainly it is no reason why we should agree in this motion that it is expedient that this legislation be introduced. We have heard nothing to support any of the measures contained therein, outside of the proposal to increase the indemnity of the members.

We have not heard any convincing argument as to the need for an increased indemnity to encourage men to come forward to become members of the other house. That is the reason we are told this should be done in this case. As far as this is concerned, we cannot call for a recorded vote. However, I certainly shall oppose this motion in committee in the absence of any assurance that there

is going to be an opportunity to obtain the information we should have. Certainly at the time this bill comes before us, if this resolution is passed, there will be an opportunity to deal with it in the ordinary way and register our objection in a more formal manner.

Mr. Diefenbaker: Mr. Chairman, after all we are here for the purpose of getting evidence and hearing facts. What about the question of the pension? Is that legislation going to be amended so that a double pension as compared to what we are receiving today will not be paid? Surely the Prime Minister is going to give some information.

Mr. St. Laurent: The Prime Minister is not going to make any commitments on this resolution. If it is not good enough on its merits, it should not carry.

With respect to pensions, if the hon. gentleman wishes to have the committee that considered the matter before consider what the actuarial implications will be, there can be no objection to having that matter go to the committee to have it report back to this house what information it can get in that regard.

With respect to these other matters, I am not going to make any commitment. The resolution itself merely refers to the expediency of introducing bills to increase these indemnities. The figures are not set out in the resolution. The figures will be set out in the bills. I told the house what was going to be recommended in the bills, but in debating this resolution the house is not debating the bill. The bills have to be considered and have three readings, and there will be ample opportunity then to discuss the details of the bills and obtain all the information that can be made available on the figures that will be contained in the bills. The resolution merely states:

> That it is expedient to introduce measures to amend (a) the Senate and House of Commons Act to increase the salaries of the Speakers and the Deputy Speaker, the sessional allowances of members of the Senate and of the House of Commons . . .

And:

> (b) the Salaries Act to increase the salaries of ministers mentioned . . .

And so on. There are no details in the resolution, which merely refers to the advisability of introducing amending legislation to deal with these matters. The position then is that if the resolution is adopted the bills will be introduced, they will be distributed, and they can be fully discussed in all their particulars.

Mr. Diefenbaker: Surely the Prime Minister is in a position to say whether the cabinet, having envisaged this legislation which it is now introducing, intends as well to allow the pension act to remain as it is. Or is it the intention of the cabinet—

Some hon. Members: Order, order.

Mr. Diefenbaker: Is it the intention of the governor in council to amend the pension act so as not to permit the grants to be made, unless that act is amended?

Mr. St. Laurent: "Governor in council" is of course a slip of the tongue on the part of my hon. friend. The governor in council does not amend any legislation. Parliament amends legislation.

Some hon. Members: Hear, hear.

Mr. St. Laurent: The hon. gentleman knows that that pension act was put before the house, and that it is subject to re-examination at each and every session. The government will have no objection to having it reconsidered by the banking and commerce committee and to an actuarial investigation to determine what the effect will be. When the act was introduced it was not intended that it should be any more onerous on the treasury than the obligation of equalizing the contributions made to the fund by the members of parliament themselves. It was expected, on the information we got from the actuary, that the fund would be ample to provide the pensions that are called for by the terms of the act, and the government would wish at all times to have that carefully checked because it is not intended to make that a greater charge upon the treasury than was intended at the time, namely to equalize the contributions made by the members themselves.

Mr. Diefenbaker: Mr. Chairman, I rise for one purpose, namely to say that I asked whether the governor in council would make such a recommendation to the house. When the Prime Minister says the governor in council does not amend—

Some hon. Members: Order.

Mr. Diefenbaker: —does not amend statutes, then I say the government has done it on several occasions by order in council.

The Deputy Chairman: Order. Is the house ready for the question?

Some hon. Members: Question.

Mr. Fulton: Mr. Chairman—

Some hon. Members: Order.

The Deputy Chairman: Does the hon. member for Kamloops wish to speak?

Mr. Fulton: Yes. I want to ask the Prime Minister a question, because I have not been able to understand whether he is giving a firm commitment that the legislation will be amended.

Mr. St. Laurent: He is not.

Mr. Fulton: It is all very well to say the government would have no objection to the matter being referred to the banking and commerce committee. The Prime Minister knows; you, sir, know; every member of this committee and every member of the house knows that if the government does not introduce legislation to amend the Members of Parliament Retiring Allowances Act then it will not be amended. The act indeed says, and I am quoting from section 4:

> The Minister of Finance shall, in accordance with the regulations, credit to the account, in each fiscal year,
> (a) an amount equal to the contributions paid in that fiscal year . . .

If a member's contributions are automatically doubled then automatically, under the terms of the statute, treasury contributions are doubled. The only body that can ensure that the act will be amended is the government, and I do not yet understand that we have a commitment from the government that this legislation will be amended so the burden will not be automatically doubled as a result of this measure.

Mr. St. Laurent: I shall clear the matter up for my hon. friend. I have given no commitment that the statute will be amended.

Mr. Drew: Then just before we vote may we take it, as it stands, that the result of this, without any other evidence before us, will be to double the fund?

An hon. Member: No.

Resolution reported: Yeas, 130; nays, 37; read the second time and concurred in.

Mr. St. Laurent thereupon moved for leave to introduce Bill No. 171, to amend the Senate and House of Commons Act.

Motion agreed to and bill read the first time.

Mr. St. Laurent thereupon moved for leave to introduce Bill No. 172, to amend the Salaries Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Drew: May I ask what the order of business will be tomorrow?

Mr. Harris: The business tomorrow is whatever hon. members themselves choose to do by way of private members' motions.

Mr. Fulton: And for Thursday what will it be? Can the minister tell us that now?

Mr. Harris: On Thursday, Mr. Speaker, we shall take up first the housing bill and second, the bill standing in the name of the Postmaster General with respect to postal rates.

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

HOUSE OF COMMONS

Wednesday, January 27, 1954

The house met at 2.30 p.m.

LABOUR CONDITIONS

FURTHER STATEMENT WITH RESPECT TO NUMBER OF UNEMPLOYED

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I would like to reply to the request made yesterday by the hon. member for Hamilton West (Mrs. Fairclough) for whatever figures are available on the number of workers who are working short time and the number who are on temporary lay-off. I think the best thing I can do is to refer to the data available in the last monthly report of the labour force survey for December 12, 1953.

The estimated number of persons, outside of agriculture, who worked less than 35 hours—here we take 35 hours as a full week—during the week ending December 12, 1953, was 369,000 in round figures, being 206,000 male and 163,000 female. Of these workers, some 59,000, or 28,000 male and 31,000 female, worked from 1 to 14 hours during the survey week while 310,000, or 178,000 male and 132,000 female, worked from 15 to 34 hours during the survey week.

I should add that there is always a substantial number of people who work on a short-time basis through choice. It is estimated that there were at least 150,000 such people at the time of the last survey.

With regard to persons on temporary lay-off, the best information available on these is the number claiming unemployment insurance due to temporary lay-offs. At the beginning of December the number of persons temporarily laid off who were claiming unemployment insurance benefits totalled 13,900.

In answer to the question asked by the hon. member for Oxford (Mr. Nesbitt), there was no over-all estimate made based on the labour force survey of the number of people working on a short-time basis in the textile industry.

(Translation):

PRIVILEGE

MR. DUFRESNE—REQUEST FOR WITHDRAWAL OF UNPARLIAMENTARY EXPRESSION

Mr. J. W. Dufresne (Quebec West): Mr. Speaker, I rise on a question of privilege. Yesterday afternoon, after concluding my speech in the house, I had to absent myself to go to my office. The hon. member for St. Mary (Mr. Dupuis), in an effort to counterbalance the statements I made, contended that the speech I had delivered in the house was a—

Mr. Speaker: I regret to interrupt the hon. member, but if he wants to correct a part of his speech that has been misinterpreted by another member during the debate, he cannot do so by rising on a question of privilege. He will have the opportunity of making his views known later on, more clearly if he so desires, during the debate on second reading of the bill. That should not be done by rising on a question of privilege at this stage of the proceedings.

Mr. Dufresne: Mr. Speaker, it is not at all a question of correcting something I said in the house yesterday. I only want to ask the house to request that the word "demagogue" used by the hon. member for St. Mary be withdrawn.

Mr. Pouliot: When one speaks like a demagogue he is called a demagogue.

Mr. Speaker: It is unfortunate that the hon. member was not in his seat when that statement was made; he could then have raised the question of privilege. However, I might say to the hon. member, for his own satisfaction, that even if he had risen on a point of order at that time, I would probably have told him that to my knowledge the word "demagogue" is not exactly the kind of expression that could be called unparliamentary in this house; it is often used by members on both sides of the house.

Mr. Pouliot: In his case, it is not exaggerated.

(Text):

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I regret profoundly that I was not able to follow exactly what was stated in connection with the question of privilege raised by the hon. member for Quebec West (Mr. Dufresne). If I understood you correctly you stated that the question of privilege should have been raised immediately and that the word "demagogue" in itself was not unparliamentary.

Privilege—Mr. Dufresne

May I direct your attention to the translation of the speech of the hon. member whose remarks are complained of and which appears on page 1470 of *Hansard* for yesterday. The hon. member went on to give the dictionary definition of the word "demagogue", in the sense in which he was applying it, as follows:

> One who pretends to defend the people's interests to gain their favour.

Some hon. Members: Oh, oh.

Mr. Fulton: I take it from the applause from the ranks of those supporting the government that they think anyone who seeks to defend the interests of the workmen in his riding is pretending to defend their interests. If that is their attitude then their constituents will be their judge. My point is on the question of privilege raised by the hon. member for Quebec West (Mr. Dufresne), which I submit, sir, is perfectly well taken in that it is not open to any hon. member to impute to another hon. member motives which are themselves improper or would be improper for an hon. member to have in putting forward his views. As to the speech made by the hon. member, the words speak for themselves; but I think it is unquestionable that it conveys motives attributed by him, whatever may be in the minds of hon. members opposite, and therefore the expression as applied by him to the other hon. member is clearly out of order and should be withdrawn.

Mr. Speaker: I did not hear the hon. member for St. Mary (Mr. Dupuis) when he made his remarks.

Mr. Dupuis: I will repeat them again, Mr. Speaker.

Mr. Speaker: I now read in *Hansard* the words that are attributed to him. I said a moment ago in French that this expression "demagogue" has been one which has been used frequently on both sides of the house to my knowledge. I therefore hesitated to declare that it was unparliamentary. The expression in this case is not isolated. It is accompanied by a definition of the word "demagogue" which the hon. member for St. Mary said he found in the Larousse dictionary and which reads:

> One who pretends to defend the people's interests to gain their favour.

Does the hon. member think that because he used a definition of Larousse, the words could properly be used? I certainly want to make it clear that I am not ruling Larousse dictionary quotations out of order. I am reminded of a Shakespearean citation which was made on one occasion in the course of the debate and when I called an hon. member to order, not because he was quoting Shakespeare, but because he was out of order before he began to quote, I was reported in certain quarters as having declared that quotations by Shakespeare were out of order in this house. I want to make it quite clear this time that I am not saying it is out of order to quote definitions which appear in the Larousse dictionary. One must consider the context in which the expression was used by the hon. member for St. Mary when he said, as reported at page 1470 in yesterday's *Hansard*:

> I have not heard for quite a while in this house so demagogic a speech as that just made by the hon. member for Quebec West (Mr. Dufresne).

He then went on:

> I knew the meaning of the word demagogue, but to make sure I looked up its meaning in the Larousse dictionary. You will see that the word applies very well to the member for Quebec West. According to the dictionary a demagogue is: "One who pretends to defend the people's interests to gain their favour."

When he says: "You will see that the word applies very well to the member for Quebec West", I think he is extending the definition of the word in the dictionary and applying it to the hon. member. Therefore, I think the hon. member should correct the statement he has made. The hon. member will not, I know, insist upon arguing the point—and certainly the matter could not have been taken up until this time—but I will have to ask the member to modify his expression.

(Translation):

Mr. Hector Dupuis (St. Mary): Mr. Speaker, I do not object to withdrawing that word if it offends my hon. friend from Quebec West (Mr. Dufresne), but I would like to draw the attention of this house to the definition we find in the Larousse dictionary.

(Text):

Mr. Drew: Mr. Speaker,—

Mr. Speaker: Order. I have to listen to the explanation of the hon. member. As he knows he is not supposed to make a speech. It is his duty when he is asked to do so by the chair to withdraw and this is what I am asking him to do. If he wants to give a preliminary explanation to his withdrawal I will listen to it provided it is concise.

(Translation):

Mr. Dupuis: Mr. Speaker, I regret that so fitting an expression has to be withdrawn, but I withdraw it.

(Text):

Mr. Speaker: Order. That is not the manner in which this expression should be withdrawn. I know the hon. member will not insist upon arguing the point and I will ask him to simply withdraw the expression without any comments.

(Translation):

Mr. Dupuis: To be agreeable to you, Mr. Speaker, I withdraw it.

(Text):

QUESTIONS

FOREIGN PATENT ROYALTIES—WITHHOLDING TAX

Mr. Murphy (Lambton West):

1. What amount of money did Canada receive in withholding tax on royalties paid on foreign patents, during each of the years 1950 to 1953 inclusive?
2. What is the rate of this withholding tax?
3. What is the tax rate the United States and the United Kingdom governments charge Canadian residents and/or corporations who draw patent royalties from their countries?

Mr. McCann:

1. The taxation division does not maintain statistical information as to the amount of income tax withheld at the source from royalties paid to non-residents in respect of foreign patents.

2. 15 per cent.

3. While it is not the usual practice of this division to furnish information respecting taxes imposed by foreign governments, it may be said in this instance that the United States imposes a tax of 30 per cent on royalties paid by United States residents to a resident of Canada for the use in the United States of a patent. By article XI of the Canada-United States tax convention the rate of tax so charged is limited to 15 per cent.

Moreover, while paragraph 3 of article VI of the Canada-United Kingdom tax convention exempts from surtax payments made by residents of the United Kingdom to residents of Canada for the use of patents in the United Kingdom, such payments are, however, subject to the standard rate of tax which, for the taxation years 1951-52 and 1952-53, was 9/6 in the £, and, for the taxation year, 1953-54, is 9/- in the £.

Questions

LUMBER IMPORTED FROM UNITED STATES

Mr. Hodgson:

1. What is the total number of board feet of lumber imported from the United States, in each of the years 1952 and 1953?
2. How much of this was hardwood?
3. How much was manufactured hardwood flooring?

Mr. Dickey:

	board feet
1. Calendar year 1952	147,036,000
*January 1 to October 31 1953	124,588,000
2. Calendar year 1952	61,191,000
*January 1 to October 31 1953	61,355,000
3. Calendar year 1952	12,818,000
*January 1 to October 31 1953	13,557,000

*Later figures not yet available.

SEED WHEAT EXPORTS

Mr. Bryson:

How many bushels of seed wheat were exported from Canada, for each of the years 1945 to 1953, inclusive?

Mr. Dickey: Seed wheat is not recorded separately in Canadian external trade statistics.

FEDERAL CONTRIBUTIONS TO NEWFOUNDLAND

Mr. Ashbourne:

How much has the federal government contributed in the province of Newfoundland since 1949 towards: (a) crippled children; (b) professional training; (c) hospital construction; (d) venereal disease control; (e) mental health; (f) tuberculosis control; (g) general public health; (h) cancer control?

Mr. Robertson:

	1949-50	1950-51	1951-52	1952-53	1953-54 (to Jan. 15 1954)
Crippled children	4,820	5,849	5,320	1,696	1,980
Professional training	11,334	13,983	23,903	13,687	16,362
Hospital construction	202,097	272,921	148,083	228,344	225,813
Venereal disease control	15,944	16,255	16,234	16,286	16,366
Mental health	54,790	92,876	105,775	110,146	162,692
Tuberculosis control	150,800	147,379	196,767	201,816	211,771
General public health	117,195	111,696	191,086	210,157	218,627
Cancer control	45,415	54,309	41,746	40,730	52,308
All grants	602,395	715,268	728,914	822,862	905,919

N.B.—The amounts shown are the amounts expended for the first four years of the national health program (1949-53) and the amounts approved for fiscal year 1953-54 up to January 15, 1954.

Questions

CANADIAN BROADCASTING CORPORATION

Mr. Holowach:

1. What is the total cost of administration of the Canadian Broadcasting Corporation for 1952 and to date in 1953?

2. How much of the above amount has been appropriated for the international service of the Canadian Broadcasting Corporation?

3. What is the policy and purpose of the international service?

Mr. McCann:

1. Operating expenditures of Canadian Broadcasting Corporation:

National service

1951-52	Sound	$10,674,415.36
	Television	245,889.76
		$10,920,305.12
1952-53	Sound	$11,389,133.98
	Television	2,914,882.99
		$14,304,016.97

International service
(from vote by parliament)

1951-52	$1,821,454.96
1952-53	1,883,596.24

2. See answer to No. 1.

3. The purposes of the service include: spreading knowledge and understanding of Canada in other countries; promoting international understanding and good will with other peoples; advancing the cause of freedom and democracy and combating opposing influences on men's minds; broadcasting to Canadian troops overseas. The operating program policies, appropriately adjusted according to the interests of the peoples in the areas concerned, are made in continuous consultation with the Department of External Affairs.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TELEVISION FILMS

Mr. Holowach:

How many private companies are presently engaged in the production of television films in Canada, and what are their names and addresses?

SHIPMENTS OF GRAIN, SASKATCHEWAN

Mr. Argue:

1. How many railway carloads of grain were shipped, during each week from August 1 to October 31, 1953, from the following Saskatchewan marketing points: Aberdeen, Aberfeldy, Adamson, Alvena, Amazon, Arma, Armilla, Bonne Madone, Booth Sdg., Borden, Bounty, Bruno, Bryant, Carlton, Carlyle, Carpenter, Carragana, Ceepee, Central Butte, Clarkboro, Clarks Crossing, Clashmoor, Dalmeny, Dalzell, Hague, Halbrite, Henty, Hepburn, Herbert, Langham, Lanigan, Leckford, Leinan, Macdowall, Macklin, Mennon, Meota, Osler, Otthon, Parkside, Parry, Prud'homme, Punnichy, Radisson, Rak, Ralph, Renown, Reynaud, Roddick, Rokeby, Rosthern, Smuts, Snipe Lake, Totzke, Tramping Lake, Vonda, Wakaw, Waldeck, Waldheim, Waldron?

2. How many elevator companies are in business at each point?

COST PLUS CONTRACTS

Mr. Thatcher:

1. Since March 31, 1953, how many contracts have been let by the Department of National Defence, the Department of Defence Production or the Department of Public Works, (a) on a basis of "cost plus a per cent"; (b) on a basis of "cost plus a fixed fee"?

2. What was the dollar value of each such contract, and to what company was it given?

AVERAGE WHEAT PRICE

Mr. Argue:

What was the average price for wheat sold outside the international wheat agreement, during each of the crop years 1949-50, 1950-51, 1951-52, 1952-53, and during the present crop year from August 1, 1953 to January 15, 1954?

FEDERAL GRANTS TO PROVINCES

Mr. Michener:

1. In the last fiscal year, what percentage of each province's total revenues was represented by the subsidies, grants and payments made by Canada to the province?

2. What were the respective revenues and payments?

Mr. Dickey: Return tabled.

SOLDIER SETTLERS

PROPOSAL TO GIVE CLEAR TITLES TO VETERANS WITH UNPAID BALANCES

Mr. Robert Fair (Battle River-Camrose): moved.

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

He said: In discussing this resolution once again I hope that on this occasion we shall have action taken by the government before the next session is called so that it will not be necessary for me to place this resolution on the order paper again.

To many of the older members of the house this is perhaps an old story, but as we have some 70 new members I think it will bear telling all over again, at least in some modified degree, perhaps.

The Soldier Settlement Act was a piece of legislation that was passed back in 1919, immediately after great war I was concluded. It was passed in a hurry without much consideration and apparently without much knowledge, on the part of those who had to do with the framing of the act, of the conditions that existed. Some 72,000 veterans

of great war I wanted to settle on the land. In my opinion they did not know just what they were trying to let themselves in for. Eventually, 25,017 settlers were set up under this legislation. The total amount of money involved was $109,034,331 which meant that there was an average advance of $4,358.40 made available to each settler. To begin with the interest rate was set at 5 per cent which meant that at that rate it would take only 20 years in order to double their debt. Just as soon as those men went into arrears, the rate of interest was immediately "upped" to 7 per cent and by that very method—in fact by the method of charging them 5 per cent to begin with—the cards were immediately stacked against them.

There was another proposition that did not seem to occur to the framers of this legislation and it was this. While the debt against the soldier settler remained at a certain level, that level was much higher than it should have been because we had just finished a war and as a result had a certain amount of prosperity. But while the debt against the settler was guaranteed, there was no guarantee whatever of the prices that the farmer would receive for his products as the years went by. In this way I believe the settlers were doomed to failure regardless of their suitability for that occupation.

At the time this legislation was brought into effect teams of horses sold for as high as $500 a team. Milch cows sold for anywhere from $125 to $150 apiece. The price of wheat ranged around $3 a bushel and in some cases even higher than that. Of course, that situation was soon taken care of because when the price of wheat, according to some people's opinion, was too high we had a wheat board set up with the definite purpose of reducing and holding down the price of wheat. Before long the price of horses went to a figure as low as $50 a team. In many cases those were only what we used to call crowbait in the first years I was out in that section of the country. Milch cows went down in price to $10 apiece and after a short time we found that wheat decreased in price to a figure as low as 20 cents a bushel at the elevator.

In case anybody should have any doubt about the prices I am giving, may I say that I have here a slip of paper entitled "Authority to Sell Chattel Equipment". This document was issued by the supervisor of the soldier settlement board, Mr. Charles G. Emslie, on December 24, 1924, to a settler whom I know very well; his name is Mr. George Connon. The address here is Islay. At the present time his address is Hazeldine. I might say that Mr. Connon is one of the men who have been down here on delegations, and now, after a good many years, he owns his farm and has made a good job of arranging for a good set of buildings, fruit trees and shelter belt and all that kind of thing. The description of the chattels given here lists 8 cows. Details are given showing their colour, age and weight. In addition to the 8 cows there is one roan bull 3 years old and two yearling calves. This whole list includes the net amount of $107.50. That means that the 7 cows were listed at $10 a head, 1 at $7.50, the bull at $10 and the two yearlings at $10 each. If anybody wishes to see this document, it is here and may be inspected. There is no question whatever as to the prices I have given. It will thus be seen that the 11 head of cattle that this fellow bought at a price of anywhere from $1,500 to $1,800 was now reduced to the price of $107.50. Many people are wondering why in the world those settlers did not make good. That is one of the reasons.

From the same man I have received another paper. It is an inspection certificate for a carload of oats shipped in 1931. That is before we reached the lowest prices. The carload of oats weighed 2,417 bushels after deduction for dockage, and he received a net price of 16 cents a bushel. It probably cost him 7 or 8 cents a bushel to have that grain threshed. Then he had to pay his freight and other charges in addition, as well as taxes on the land and many other costs in connection with the growing of grain. This illustration again should show people one or perhaps several of the reasons why the farmers were not able to make good under the set-up as originally laid down in the legislation.

There is another matter here that does not look good to me, and I brought it to the attention of the house previously. It is this. In many cases, when the soldier settlement board bought land for resale later to the veterans, the agreement for sale contained the oil and mineral rights. But in 1921, I believe it was, an amendment was made to the Soldier Settlement Act. This amendment took away from the settler and vested in the crown those oil and mineral rights. I remember that about 1938 the then minister of mines and resources, who is now a recipient of some of the good things the country can produce and sits in the other end of this house of parliament, brought in legislation to have those mineral rights restored to their proper owners. The legislation went through the house here without much discussion and,

when it went on to the other end of this building, it was decided there that it should be sent to the banking and commerce committee. I read the *Hansard* report of what took place. According to it, some of them felt that these farmers were not interested in oil or mineral rights. They said, "They are farmers, so we will just take these rights away". After the matter had been discussed in the banking and commerce committee, it was brought back to the Senate. The report of the committee stated that they should leave the legislation as it was, with the result that the men were again deprived of part of the security which they should properly have had in their agreement for sale. In my opinion, that is a steal from those fellows who went overseas and is something that cannot be forgiven by me or by anybody else who has at heart the interests of these men.

We thought some of our neighbours around the Lloydminster district had a clear-cut case. One of them discussed the matter with me; and at the same time he had a lawyer, Mr. V. U. Miner, who is the mayor of Lloydminster, working on the matter. I remember distinctly coming from Edmonton and riding on the bus with Mr. Miner one evening just before Christmas. We discussed this matter; we thought we had better get our heads together and see what we could do about it. All of the papers were clear and Mr. Miner, a public-spirited lawyer—not of the two-by-four type mentioned here yesterday—stated that he was prepared, if necessary, to give his time and to fight this case through the courts. At that time the Minister of Veterans Affairs was none other than our very good friend, the present Minister of Labour (Mr. Gregg). I came down here, discussed the matter with him and told him what we intended to do. I thought it was only fair to do that. He said, "Fair, wait for two or three weeks and we will see what we can do." As a result of his efforts, and without any legislation of which I am aware, the oil rights that had been filched away from these soldier settlers away back in 1921 or 1922, and which had been denied them in 1938 by the gentlemen at the other end of this building, were returned to them. I believe the Right Hon. Arthur Meighen was the man mainly responsible for the action taken earlier.

These soldier settlers were not making good and, as I stated before, it was not through any fault of theirs. We remember the conditions that existed in agriculture and in many other industries during the depression years following 1929 and up to the time war again brought prosperity to us in the 1940's. In order to try to keep these debts down to a point where the men could get along without becoming too badly discouraged, the government first of all brought about a consolidation of loans. Then they decided that the interest rate was pretty high. The interest rate on arrears had been raised to 7 per cent, and the government decided they would cancel the interest charges. That was not good enough, so they decided that the price of the land was too high. To my knowledge some farms in my part of the country were sold at a price four times that obtaining in private sales.

That is one of the things that first of all got me busy on this particular matter. In 1930 there was a 30 per cent reduction in the loans, and in 1936 legislation was introduced giving these settlers the benefit of a dollar for dollar bonus when they paid any of their arrears. I believe all hon. members will recall that at that time conditions were such that people could not make a living on the land, let alone pay off their debts. That system was not working out very well, and in 1938 the legislation was abolished.

The soldier settlers were then allowed to go before the farmers' creditors arrangement board and have their debts reduced. In spite of all the things that were done, and which were considered by many to be very worth while, I want to state that these concessions did not begin to keep pace with the deteriorating condition of agriculture. During all these years these farmers, and particularly their wives and families, suffered privation and want by reason of the fact that they were unable to pay for medical, dental and hospital care. In many cases these settlers or their wives or families passed to the great beyond simply because of the conditions under which they were forced to live.

In the early thirties the price of wheat fell to 19½ cents a bushel in my part of the country. Oats went down to 6 cents a bushel, and in many cases it cost 7 or 8 cents to have oats threshed. Cattle sold for a cent a pound, and at that time the dominion government purchased a number of cattle, good, bad and indifferent, at that price. The best hogs that could be raised sold for 2½ cents a pound. When taken to market they were turned over at 2½ cents a pound. I remember very well that eggs sold at 3 cents a dozen. These prices are not hearsay. Together with the soldier settlers, many of whom were my best neighbours, I went through these conditions.

In spite of the conditions that existed, over which the settlers had absolutely no control, an ambitious director of soldier settlement operations in Ottawa, who it would appear acted without any ministerial supervision

whatever, decided that he would get rid of the soldier settlers who were in debt, probably because he wanted to make a good showing and earn a promotion. They were not paying their debts but they could not do so. He embarked on a program of demanding and getting quit claim deeds to their property and kicked the settlers and their families out on the roadside. In cases where they refused to get out he served them with a thirty-day notice to vacate.

According to figures obtained from the department, in many cases these men and their families were kicked out on the roadside, and the director did not care. I do not think that is the way to treat our veterans who went overseas and offered everything they had, and who were promised that the country would look after them when they returned. But that is what happened. Then there were some of these settlers who were brave enough to enlist after world war II broke out. They decided that here was a chance for them to make a living for their wives and families. Many of them enlisted. Some of them went overseas to different theatres of war and some remained on this side of the water. Of course they could not farm their land while they were away. No provision was made for payment on their debts to the board. What happened? I should like to refer to order in council P.C. 138/1936, passed by His Excellency the Governor General in Council on the 19th March, 1941. Under the heading "Soldier Settlement" it reads as follows:

> The board has had under consideration a submission of the hon. the Minister of Mines and Resources reporting that:
>
> 1. A considerable number of persons who agreed to purchase farms from the soldier settlement board or from the director of soldier settlement on long term contracts have enlisted in the Canadian armed forces.
>
> 2. In many cases the dependents of such enlisted persons continued to occupy their farms but no provision has been made for payment of instalments in respect of their contracts or of taxes in respect of their farms.
>
> 3. The director of soldier settlement has no authority to carry such accounts indefinitely and it is considered desirable to provide for deduction from dependents' allowances to cover local taxes and interest due.

They were not satisfied with kicking people out on the road but decided to extract something from the allowances paid by the armed forces to the wives and dependents who were still on the land. The order in council continues:

> Accordingly the board recommend that notwithstanding any provision to the contrary contained in any of the regulations providing for payment of dependents' or marriage allowances in respect of dependents of members of the Canadian armed forces, that in all cases where the dependents of an enlisted person continue to occupy the farm for which such person is indebted to the director of soldier settlement and in respect of which the contract terms are not otherwise satisfactorily provided for, there may be deducted from the dependents' or marriage allowance amounts sufficient to provide for payment of taxes levied by the local taxing authority in respect of the property in question and interest accruing annually on indebtedness to the director of soldier settlement, such deductions to be made monthly and in no case to exceed $20 per month except with the consent of the dependents concerned.

When the Minister of National Health and Welfare (Mr. Martin) was speaking a few days ago in the house I was wishing that it was possible for me to offset some of his fine arguments about the present government's administration by handing him a little bouquet like this. It is a beauty and I think should be preserved for all time to come. I feel that the veterans of the second world war received very good treatment compared with those of world war I. I believe that the exposure of the treatment accorded the veterans of world war I has had quite a bit to do with the treatment accorded veterans of world war II.

In the *Western Producer* of November 13, 1947, we find this:

> In a recent issue "The Legionary" directs attention to an interesting item of news. It points out that the Right Hon. Ian A. Mackenzie, Minister of Veterans Affairs, last month presented what he described as "a startling comparison" between land settlement operations under the Soldier Settlement Act after world war I and those under the Veterans Land Act for veterans of world war II.
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> The figures concerned operations in the province of British Columbia, but it is to be assumed that similar conditions prevail elsewhere. In the year 1925 loaning operations under the Soldier Settlement Act reached their maximum in B.C., as in other provinces. By that year, Mr. Mackenzie said there had been 3,493 loans made under the Soldier Settlement Act, totalling $15,503,474. The average loan was $4,401 and the average loan payable after allowing for 10 per cent down payments was approximately $4,080.
>
> Turning to Veterans Land Act operations, the minister explained that as of July 31 this year there had been 3,030 loans approved under V.L.A. in British Columbia, for a total of $14,720,115. The average loan was $4,094, but the average loan repayable is only $2,027, due to the financial formula contained in the act.

I might state here that instead of the 5 per cent and 7 per cent charge under the Soldier Settlement Act, the veterans of world war II are getting a rate of interest of 3·5 per cent which, in my opinion, is still quite high.

In case I should forget it later on, I might state that there are a number of veterans of world war I who are still on the land, and some in towns, villages and cities, who are not making a very good living. Some of them have their land paid for and some have not. In some cases these men are receiving war

veterans allowances. I should like to refer now to the recommendations in the brief presented by the Canadian Legion to the Prime Minister (Mr. St. Laurent) and his cabinet on November 10 last. Two of the recommendations in that brief are as follows:

1. That the basic rate of war veterans allowance be increased to $60 per month for a single veteran, and $120 for those who are married.

2. That the ceilings on total permissible income under war veterans allowance be increased to $1,200 per year in the case of a single recipient and $2,000 per year in the case of those married.

I hope these recommendations will be adopted because they have been advocated for many months by members on all sides of the house. I hope that the government will see to it that, in particular, the request for an increase in allowable income will be granted. I believe that request is worthy of consideration. The same remarks apply, of course, to the other request. The granting of the requests will not hurt the government, and it will not hurt many of these people to do some additional work in order that they may build up their income to give them something like a reasonable standard of living.

Time was running out, and many of these old settlers had one big problem on hand before they passed on to the great beyond. This problem was to get a clear title to the land, and be able to leave their wives and families some form of security. These men were all growing older, just as all of us are. Away back in 1936, in the Lloydminster district, a soldier settlers union was formed. Membership was drawn from several other sections of Alberta and Saskatchewan. After some vain attempts to get recognition from any quarter, this organization went out of existence.

In the early forties another organization was formed in Saskatoon under the name of Soldier Settlers Association of Canada. Mr. H. C. Baker was the president and Mr. A. J. Sibley was the secretary treasurer. These two men deserve a lot of commendation for the work they did, particularly Mr. Sibley, who has written hundreds or thousands of letters in connection with this matter. These men received good support here for their demands. I believe they made three trips to Ottawa and made representations to the cabinet and the special committee on veterans affairs. Again I want to express the thanks of the delegation for the courteous treatment they received at the hands of the cabinet and the special committee on veterans affairs. They were pressing for clear titles, and many people at home were supporting their demands.

[Mr. Fair.]

First of all, these men secured more than 12,500 signatures on a petition circulated throughout the west. They had the support of the Alberta legislature; the Saskatchewan legislature; the farmers' union of Saskatchewan; the association of rural municipalities; the Saskatchewan wheat pool; the united farmers of Canada, Saskatchewan section; united farmers of Alberta; Alberta branch of Canadian Legion; the British Columbia branch of the Legion and many other branches, including the dominion Legion command.

After making the final presentation to the special committee on veterans affairs here in June 17, 1948 the committee dealt very leniently with them and gave them a very good reception. I happened to be present. A few days after the delegation left, the committee had an opportunity of discussing this matter. This is the report turned in by the veterans affairs committee under the heading "Soldier Settlement Act".

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

That was the report of the special committee on veterans affairs, a committee which has done an excellent job ever since it was set up.

Mr. Brooks: What is the date of that?

Mr. Fair: June 17 the representation was made, and this report was turned in a few days later, in June, 1948. This committee was working without any skulduggery or anything of that kind. The committee must be complimented for the work done for the soldier settlers, who greatly appreciate it.

The Canadian Legion presented a brief to the veterans affairs committee on October 26, 1945, and under the heading "Soldier Settlement Act", this is what they had to say:

Therefore be it resolved that, in order to be fair to our aging veterans and to bring the old and the new settlement acts more into line the dominion government be asked to readjust the debts of the 6,153 original soldier settlers who have not paid for their lands, such readjustment to take into consideration the difference in interest rates charged under the said acts; and that following such readjustments the government be further asked to cancel the debts of those original soldier settlers whose debt has been, or may hereafter be, reduced to 25 per cent of the original purchase price or the reduced purchase price.

Later on in the discussion in the committee the hon. member for Acadia (Mr. Quelch) was not quite satisfied with the limitations placed on that recommendation, and at page 315 of the evidence of the committee, October 26, 1945, he had this to say:

On page 11 of the brief there is a reference to the old soldier settlers, and the recommendation

there is that clear title be given provided a soldier reduces his indebtedness to 25 per cent of the original purchase price or the reduced purchase price. I do not think that will go far enough to satisfy the organization that calls itself the Old Soldier Settlers Organization, because they are asking for a clear title for all soldier settlers of the last war. I think we must all agree that the soldiers who are in the most difficult position of all are those soldier settlers who have had no chance of reducing their indebtedness to that 25 per cent, the ones who have been up against bad luck.

Some of you may call it bad management perhaps, but we know that the situation these men went through in the depression years put them in a position where they could not get the money to buy the farm. I should like very much to see that 25 per cent taken out of your recommendation, making it wide open so that title can be given to the old soldier settlers, whether in the fortunate position of being able to reduce their indebtedness to 25 per cent or not. I wonder if Mr. Walker would comment on that?

And Mr. Walker said:

I am sure it will not hurt our feelings if you do give them clear title.

It is quite clear and definite that the people who live in that section of the country and who know the conditions are quite in favour of these people being given clear title. The government, realizing that many of those settlers were in a tough financial position, where they could not get along on their own, decided to make a certain adjustment. For some time the most needy cases were taken care of.

During the past three or four years $150,000 has been placed in the estimates each year, and with that amount of money many of these cases have been cleared up. As of January 1, 1953, the figures show that 548 soldier settlers were still in debt. At January 1, 1954, that number had been reduced to 299, or a reduction of 249 settlers. The total debt of those men as at January 1, 1953, was $572,411.32. At January 1 this year, 1954, it had been reduced to $293,310.90, which means that they are still in debt to an average of $981. During the year, and up to the first of this year, $47,965.71, representing an average of $315.56 each, had been granted by way of reductions to 152 of the settlers.

I might point out that there is still more than $100,000 out of that $150,000 voted by the house still available for the reduction of those debts, and I am suggesting that before the end of the fiscal year, at March 31, the money should be spent in an effort to get some of those fellows out in the clear, so that they can see daylight.

Someone has suggested that they should be given help before a depression hits them. Well, I cannot see any reason in the world for another depression. And if one does come it will be man-made, just as it was back in the thirties.

The government's main objection to granting clear titles is that veterans of great war II will not want to pay up. It says it will wait for perhaps 30 or 40 years, and then will have those debts done away with. In my opinion the conditions under which veterans of great war II have been settled are such that no such condition will develop. If this or any other government should permit conditions which would put those veterans in the same position as veterans of great war I, then we in the House of Commons have a job on our hands, a job of house cleaning, and we will have to do it in a hurry. So far as I am concerned, I shall be ready at any time to help in that campaign.

As I said before, the veterans of great war II have had a pretty good deal. We have yet to rectify the problems of the recipients of war veterans allowances, and should not let many weeks go by before that is done. I hope the Minister of Veterans Affairs (Mr. Lapointe) will give his attention to the matter.

I believe that in Canada we have the best country in the world, and I say that without fear of successful contradiction. We have treated well those veterans of great war II, and I suggest now that we should extend the same treatment to those few remaining from great war I who have gone on the land under the terms set out by the Soldier Settlement Act. Those men have paid everything they could over a period of more than 30 years. As a result of making those payments they have caused themselves and their wives and families to suffer privation and want.

In many cases their machinery and buildings are worn out and dilapidated, and a large amount of money is required these days to replace them. Many of those settlers are doing their best to clear up the debts, but they are hoping at the same time that before they move on to the great beyond they will get clear titles to their homes.

The excessive cost of the things they have to buy today, and the diminishing returns received for farm products, should spur the government to take action before it is too late. Many people do not realize that, because of the high cost of the things farmers have to buy in relation to the prices they receive for their grain, they are getting only about 90 cents a bushel for wheat, in terms of the value of the dollar in 1939.

I am suggesting in conclusion that without further delay, we give these 299 settlers clear titles. I wish to thank hon. members in all parties for their fine co-operation in this campaign on behalf of the old soldier settlers. Incidentally I would point out that I am not

one, myself. Some people seem to think that, because I have discussed this matter on many occasions, I would receive some benefit from having these debts paid off. They will understand that this is not so when I explain that I did not buy any land from the soldier settlement board.

I wish to thank the members of the cabinet and the committee on veterans affairs for the kind co-operation and consideration given by them to the delegation which came here from the Soldier Settlers Association of Canada.

Mr. A. J. Brooks (Royal): Mr. Speaker, I wish to take only a few moments of the time of the house to speak on this matter. As the hon. member for Battle River-Camrose (Mr. Fair) has just said, this is an old story. I remember when I was a boy at school reading the story of the battle of the Nile in which the author said: "It is an old story now, that battle of the Nile—but a brave story, and will never die of age".

The story the hon. member for Battle River-Camrose has told us over a long period of years—some 16 or 17 of them I believe—is an old one. It has also been a brave story, so far as the soldier settlers are concerned, and I hope that, like the story of the battle of the Nile, it will not die of age, but that it will be listened to.

The time has now arrived when the story should be completed. I congratulate the hon. member upon his persistence and his very clear statements of the facts. He has said that there are many new members in the house who have not heard the story about the condition of the soldier settlers, which has continued over a long period of years. It was all to the good that the hon. member should have renewed it today.

I am not going to follow him in all he has said, because I have spoken on this subject on a number of occasions previously. I would also congratulate the Legion, former ministers of veterans affairs, and also the committee on veterans affairs, all of whom have taken a keen interest in this matter.

I do not think the hon. member's efforts have been in vain. While he has not succeeded in obtaining 100 per cent of his ideal, he has received 50 per cent; and as we often say, "Half a loaf is better than no bread". It may not be as necessary to press this matter today as it was some years ago, because considerable attention has been paid to it.

As the hon. member has pointed out, while there were 25,000 who took up land under the Soldier Settlement Act some 35 years ago, today there remain only about 299. I imagine that the number will be less than that and no doubt the minister will give us the correct number when he speaks. The number has been reduced from 25,000 to that small number. These men owe considerably less than $1,000 on the average. As I said a moment ago, from 1919 to 1954 is a long time. While in the army we used to sing an old song "There's a long, long trail awinding into the land of my dreams". There certainly has been a long, long trail awinding to those who took up land under the Soldier Settlement Act. It has been a pretty rough and stony trail as far as they are concerned. The hon. member for Battle River-Camrose (Mr. Fair) has outlined many of the difficulties which they encountered.

A great deal of credit is due to those men who have paid for their farms under the most extreme difficulties over that long period of years. Others have not been able to pay in the 35 years. I will not say that there are excuses, but no doubt there are many reasons why they have not paid. Perhaps some of them were poor farmers to start with. I met many men after the first war who had a great love for the land and open spaces and who thought they would like to take up farming. They did not prove to be good farmers and as a result they did not make a success of farming and could not pay for their farms.

There were others who had large families and who located on poor farms and were thus unable to make a living. They also, over this long period of years, were unable to pay for their farms. Certain sections of the country were not well adapted to farming. I have heard hon. members from Alberta tell of men who took up land in southern Alberta and in other dried-out areas of the west. The cards were stacked against those men and in the ordinary course of events they just could not pay for their farms.

The government has been generous in the past as far as these men are concerned, but there are only a few of them left. As the hon. member stated, these men are not young. They have lived most of their lives. Their average age is around 64 to 65 years. Before they pass on to the great beyond they would like to feel that they own the farms on which they have lived for the past 35 years. They would like to hand on their farms to their children, or probably to their grandchildren, the farms upon which they had raised their children and upon which they had spent most of their working lives.

This is practically all I wish to say to the minister this afternoon. These men have worked for 35 years on these farms. I do not think that if we waited for another 35 years we could clean this up and say that the last man has paid for his farm. In the first place, these men will not live that long. I think

the problem has been reduced practically to the irreducible minimum. It seems to me that there would be no better time than right now in this year 1954 for the minister to act. There is only a small amount still owing, I imagine in the vicinity of $300,000, and the minister will tell us the exact amount. I should like to see the minister get up this afternoon and tell us and these few men—I know it is absolutely hopeless for some of them to be able to pay—that the slate is going to be wiped clean.

There is no need of the minister repeating the excuse which has been used in the past that it might be considered unfair to those men who bought farms under the Veterans Land Act or to those old soldiers who have paid for their farms. There would not be one dissenting voice from the old soldiers who have paid for their farms. The men who bought land under the Veterans Land Act received so much better treatment that they would be ashamed to complain of any treatment given to these men.

This is all I have to say. As I said before, I have spoken on this matter time and time again. If the minister is not prepared to take action himself and announce it today, I hope he will take up the matter with his colleagues and before this session is over permit us to write "finis" to this long story of suffering as far as these old veterans are concerned.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, a great deal of credit is due to the hon. member for Battle River-Camrose (Mr. Fair) for his great persistence in bringing this matter before hon. members of this house. I was present in the house from 1945 to 1949 and I can remember the hon. member persistently bringing up a resolution similar to the one we are debating today. The resolution reads:

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

There is little need for me to attempt to document the case as the hon. member for Battle River-Camrose has done this excellently. I think all members of the house will agree that the evidence which he has placed before us would indicate that it is expedient for the government to take action to bring justice to those veterans who bought land under the soldier settlement board.

I know that many times I have sat in farm homes in my constituency and listened to veterans tell of how they bought land under the soldier settlement board. Those soldiers made one realize the real problem these men had and that it is one in connection with which the government should take action.

I recall the debates which took place between 1945 and 1949 in this house and I do not recall one hon. member rising to his feet and contending that these soldier settlers had got justice. I remember on one occasion the then member for Rosthern got up and stated that while he agreed with the sentiments of the resolution he felt it would be unfair to those soldier settlers who had died and for that reason he was going to vote against the resolution.

I wish there were more members in the house this afternoon to have heard the argument of the hon. member for Battle River-Camrose. I am sure all would have agreed with him, and with those of us who are supporting the resolution, that it is time that the government took action in connection with this matter. I recall that in 1945 the number of soldier veterans who had bought farms under the Soldier Settlement Act was in the neighbourhood of 6,000. Through death, and for other reasons, that number has been reduced until as at January 1 of this year it stood at 299.

I should think that, when we have an economy which in 1953 will have produced a gross national output of over $24,000 million, this would be a matter which does not and should not be too large a job to settle.

I believe all hon. members supporting this resolution will agree it should not be talked out. It is my hope it will go to a vote this afternoon and that that vote will indicate to the government that members of this house are in full support of this resolution.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, in supporting this resolution I want to add my voice to that of the other members who have paid tribute to the hon. member for Battle River-Camrose (Mr. Fair), who has for years championed the cause of these men against what has been recognized by those who know the story as a grave and serious injustice.

After world war II there was a recognition in this house of the wrongs, errors and mistakes that had been committed by the administration in handling the affairs of the soldier settlement board, and it was realized that these mistakes had resulted in privation and a good deal of unnecessary suffering among men who had already served their country in the theatre of war and had come back to make their homes in the rural areas of this dominion. In spite of that fact, however, many of these men continue to suffer, and many of them have lost their life's work.

I knew many of them in my own constituency and I want to tell this government of the bitterness that was felt by some of these men and their families after they had been evicted by this government following years of hard work. That bitterness remains in the hearts of many of these men and their families.

The member for Battle River-Camrose started this fight some 15 years ago. If he could have reached the ear of the government at that time a good many hundreds of veterans would have been saved, and a great deal of good could have been done. Today there is nothing left but this belated gesture which, if agreed to, will affect some 300 men. But even this gesture would be a good thing. I am sure it would have the support of every Canadian who knows the story, and the support of the vast majority of the members of this house who know the story.

I plead with the minister to make this gesture this afternoon. Surely he can give some ray of hope to the few men who remain.

The story of the soldier settlement board and the records in this house produced year after year, giving the cost of collecting the money from these men during the days of depression and hard crops, described by the hon. member for Battle River-Camrose, show that it cost the government more to administer the department than they collected from the men in these areas. These men were placed under an impossible load; under a debt that wore them out and in many cases led to the loss of their life's work.

If this gesture can be made this afternoon, as called for in this resolution, it will in part recognize the noble work of these men who are real Canadians, who suffered in the field of battle and came back to play their part as good citizens in this Canada of ours. Such a gesture would do something to restore the faith of many embittered people in the good will of the Canadian people and the Canadian government.

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, I would like to express my thanks and also the thanks of the veterans in the Okanagan valley to the member for Battle River-Camrose (Mr. Fair) for bringing up this question.

We have quite a number of the 299 men who have been referred to now living in the area which I represent. I well remember the time 20 years ago when these men were placed rather hastily on unsuitable land. They had no chance to make a living but they were placed on this land presumably because the government was stuck with it and had been ill-advised enough to purchase it. Many of them quit after three, four or five years and sought work or land elsewhere. As regards the remainder, as far as the soldier settlement board was concerned, they were left with this problem on their hands. A lot of them were anxious to help and they tried to purchase the land at a lower price from the soldier settlement board. But the board wanted its pound of flesh and they forced these fellows off the land and eventually some of that land was sold to newcomers, aliens who had come to Canada, at a lower price than that offered by the returned men.

I feel these returned men have had a raw deal from the very day they bought this land and they are still getting a raw deal. They will continue in that position until we face this problem. It is not a big problem for it involves less than 300 men and they are men who are for the most part at the age of 60 or 70, or perhaps 75. They are no longer able to cope with the struggle of keeping their land and farms going. The land they hold was never any good in any case and that is why they are behind in their payments today.

I believe the country at large and veteran members of this house are wholeheartedly behind this resolution, and in implementing it we would be giving no more than justice to a group of men who helped this country out at a critical period during the first world war. I hope a vote will be taken. I hope it will be a free vote and that it will serve to indicate to the minister that the time has now arrived when his small valiant band of men should be treated right, as the Canadian people would wish to see them treated.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I just want to add one word in support of the resolution put forward by the hon. member for Battle River-Camrose (Mr. Fair). I am sure that after the case he put up today anything I can say would be in the nature of an anticlimax. Yet I feel it is only right that I should add my voice to that of those who support these veterans in their attempt to see that they get a fair share of the things they should get out of this country.

These men sacrificed and fought during the first world war. They came back to settle themselves, make good citizens, and work for the benefit not only of themselves and their families but of their country, and in order to produce things Canadians need. They bought their land at a time of inflation and paid extremely high prices for that land, only to see the bottom drop out of everything

within a very few years. These men fought against droughts, depression, and high rate of interest and they are still trying to pay for their land because they got so far behind with the interest payments during a period when they could scarcely keep their families together let alone pay the interest on their farms.

Many of these men have now paid more than the original cost of the land and they are still in debt. They are getting older. Their ability to produce is getting less all the time and I think there should be some recognition of the efforts these men made during the past 30-odd years in trying to keep up payments and raise their families while at the same time contributing to the welfare of this country.

I know the argument has been used many times that by implementing a measure such as this we would be discriminating against those who had paid up and against the veterans of world war II. I do not think there is one veteran who took land under the Veterans Land Act after the second world war, or one veteran who took land under the Soldier Settlement Act and was able to pay for it, who would raise any objection whatsoever against giving these men clear titles to their land so that they may at least have some sort of security, and have a little bit of property that they can call their own in the twilight of their lives.

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, in rising to take part in this discussion on the resolution introduced by the hon. member for Battle River-Camrose (Mr. Fair), I feel that I would be remiss in my duty as Minister of Veterans Affairs if I did not commend the hon. member for the sympathetic interest he has shown in the matter now under discussion over the last twelve or fifteen years, I believe, that he has been sitting in this house. I think he should be commended for this interest. There is no doubt that he has focused the attention of all hon. members—particularly veteran members—who are interested in the case of veterans of world war I on the situation of the soldier settlers who were settled under the 1919 act.

This matter has been debated every year for some time, and I do not think it is necessary for me to go over the history of the soldier settlement of 1919. I think it is admitted by all those who are acquainted with the subject that the scheme under which these men were settled was pretty much a haphazard one. It was one that was evolved hastily at the end of the first world war. It must be remembered that at that time the government of the day and the parliament of the day did not have any previous experience on how to handle thousands of men being demobilized in a short period of time and on how to find a proper formula to rehabilitate them into the civilian economy. Because of the haste with which the scheme was evolved and because of that lack of experience, I think there is no doubt that, under the Soldier Settlement Act, many may have been settled under conditions which proved to be too onerous for them to make a success of their endeavour. I think that fact has been recognized.

The fact that these men settled under this act had a very hard time of it during the lean years of the depression, during the twenties and the thirties, I think was recognized by the government of the day. When illustrations are given, as has been done in various instances—and as was done by the hon. member for Battle River-Camrose this afternoon —of the actual conditions experienced by some of these settlers, it must be remembered that, rightly or wrongly, that situation existed in the whole of the farming communities in this area at that time. I well remember that, during the course of a debate on a similar resolution, a former member of the house— I think he was the then member for Selkirk, Mr. Bryce—mentioned the sorry plight in which he found himself as a farmer in the area in which these settlers were located. He concluded by saying that probably many of them could not take the knocks as well as he could.

During the course of this debate it has been said that these men should have clear title because they have been paying for so many years. I submit, Mr. Speaker, that that fact in itself is not a strong argument.

As we all know, representations are made continuously to have long-term contracts under various loan schemes sponsored by the government, whether in the housing field or in the farm loan field. It could be a strong argument only if the extended term is one which affects a contract whose conditions are too onerous and might be termed unjust.

I submit that debt reduction for soldier settlers has been going on for many years. In fact, it dates back to 1922. The hon. member for Battle River-Camrose will recall that originally there were, I believe, 25,017 settlers and that at that time the investment by the federal government under this scheme was slightly over $109 million. Every few years since then there has been some kind of legislative revision designed to relieve those settlers, by reducing their obligations under the terms of their original contract, by

revaluation or by other adjustments of the sort. As I mentioned before, it was recognized that the terms of these contracts were too onerous under the depressed conditions of the twenties and thirties.

The first of these measures was in 1922. If I may, I think I shall take the liberty of enumerating to the members of this house what has been done since the scheme was originally enacted, because it will put the problem in its true perspective. In 1922, 21,269 settlers benefited by an interest exemption which amounted to $10,270,000.

Mr. Brooks: What was the original interest?

Mr. Lapointe: Five per cent.

Mr. Brooks: Five per cent to seven per cent?

Mr. Lapointe: Five per cent.

Mr. Quelch: Seven per cent.

Mr. Lapointe: I am not quite sure. I am sure the hon. member for Battle River-Camrose will correct me if I am wrong. After that I think it became 7 per cent on the arrears or on the interest; I am not quite sure.

Mr. Fair: That is right.

Mr. Lapointe: On the arrears. A few years afterward, in 1925, there was a reduction in the price of livestock effective as at the standard date in 1925. What is referred to as the standard date is the day on which the instalment becomes due. There was a 40 per cent reduction in the price of all livestock sold to a veteran prior to the standard date in 1920 and a 20 per cent reduction in the price of livestock sold to a veteran after that date and prior to the standard date of 1921. That reduction amounted to approximately $3 million. In 1927 there was again a new measure which took the form of land revaluation. It reduced the principal owing by veterans by $7 million and it affected some 7,043 settlers.

In 1929 a new measure, which I believe was implemented in 1930, granted a 30 per cent reduction in principal and interest amounting to $11,300,000, and aided 11,912 settlers. In 1933, three years later, a further interest remission totalled $1,310,000 and benefited some 11,612 settlers.

The next measure to alleviate the difficulties of soldier settlers was introduced in 1933, when the dollar for dollar bonus was instituted. During the period from 1933 to 1939 inclusive this measure permitted a reduction of principal payments by some $2 million and interest payments by $1,500,000, thereby helping some 8,512 settlers. In 1934, as my hon. friends know, the Farmers' Creditors Arrangement Act came into force, and it was applicable to soldier settlers. Under this act up to 1942 soldier settlers received a reduction in principal and interest commitments of nearly $7 million, and about 2,419 settlers were affected.

In 1942 the entire position of soldier settlement was completely reviewed by a special committee on veterans affairs. It was found that the general position of soldier settlers, as shown in the annual report for 1942, should be investigated. It was revealed that approximately 50 per cent of the settlers were in what could be termed a sound or satisfactory position, and that the other 50 per cent were in doubtful or unsatisfactory positions. To illustrate my point, a detailed analysis of the situation showed that 2,953 settlers had acquired an average equity of 67·5 per cent in their farms, and that 606 settlers had acquired an average equity of 32 per cent. Of those in what were termed doubtful or unsatisfactory positions, 1,078 settlers had acquired an average equity of only 17 per cent, and 2,723 settlers had no equity at all.

The parliamentary committee therefore focused its attention on the latter two classes, and it recommended that further relief was necessary for soldier settlers. An order in council was passed in November, 1942, being P.C. 10/472. It contained two main provisions. One was the reduction of debts of soldier settlers by the treasury board on the recommendation of the director, and the second was the extension of term agreements. The provisions of this order were pretty realistically applied by the director, his officials and the responsible officers in the various districts. For the first time in the history of soldier settlement adjustments were made to meet individual circumstances and set patterns for procedure. The basic approach was to consider the capacity of the individual settler in relation to the estimated productive value of his land.

In the three and a half years following this order in council 2,419 debt reductions went through the books, the write-off amounting to approximately $1,300,000. As the result of this procedure soldier settlers made a good response, and by March 31, 1946, 268 settlers had already repaid their loans in cash. I think that is evidence that the order in council passed in November, 1942, had proved a practical and constructive measure with respect to debt repayment for soldier settlers.

The general position of soldier settlers as of March 31, 1946, showed a total of

4,276 active settlers compared with 7,255 in 1942, at the time the order in council was passed. Their total debt was $4,960,000, with an average debt of $1,160. But the average value of their farms still held at $2,500, based on the 1941 inventory, although that was 1946. In the four-year period between March 31, 1942 and March 31, 1946 a total of 2,621 soldier settlers, or one-third of the total active settlers in 1942, repaid their loans in cash and received title to their farms.

One point I wish to make is that through the application of this order in council not only did a great number of soldier settlers repay their loans in cash and get clear titles, but settlers originally classified as being in a doubtful or unsatisfactory position were able to meet the terms, and many of them also secured clear titles to their land. In other words, the quality did not deteriorate over these years.

In 1948 the matter was again discussed in the veterans affairs committee and in the house. My predecessor, the present Minister of Labour (Mr. Gregg), introduced a new policy whereby each year an amount was voted in the departmental estimates to help reduce the debt and give clear titles to the remaining settlers. This has had the effect of reducing the present number of settlers to a very small figure. As a matter of fact, I believe the hon. member for Battle River (Mr. Fair) will recognize that the action taken by my predecessor, and which has been continued ever since 1948 has, to a great extent, had the effect which he wishes to achieve by his yearly resolution. I believe I can quote figures which will illustrate this fact.

As of October 31, 1948, when the first order in council implementing the new policy came into force, there were 2,637 active soldier settler accounts with a total indebtedness of $2,842,534.30. On December 31, 1953, that is this last December, there were 299 active accounts with a total indebtedness of $293,310.90. I venture to say that it is possible my figures are already slightly out of date, because negotiations are continuously being conducted with these settlers to get them to agree to the new arrangement.

Mr. Brooks: Might I ask the minister a question? I am sorry to interrupt, but how many of those would be British settlers under the British settlers' scheme?

Mr. Lapointe: I think they are considered separately.

Mr. Brooks: I might say that in the 1953 report of the Department of Veterans Affairs there is this paragraph on page 65:

> It might be explained that in addition to qualified soldier settlers established under the act, these figures include 74 British family settlers and 27 soldier settlers who purchased reverted properties on civilian agreements, and were eligible for debt reduction under the order in council by reason of their service in a theatre of actual war.

I was wondering about that.

Mr. Lapointe: I have some figures which may be of interest to the hon. member. In addition to the numbers I have mentioned of soldier settlers who were granted reductions, 120 settlers who were eligible to apply for benefits under the Soldier Settlement Act but purchased under the British family settlement scheme or on civilian agreements have also been granted debt reductions.

Mr. Brooks: Those 299 would not be original soldier settlers?

Mr. Lapointe: My understanding is that they are all soldier settlers. If I am not correct I shall let the hon. member have the correct information. Of the 2,637 active soldier settler accounts as of October 31, 1948, 1,599 had been granted reductions under the various orders in council. As at December 31, 1953, 1,511 had already obtained title, and 827 settlers repaid their accounts and obtained title without any reduction under the provision of the various orders. At the present time, of those 299 accounts which are left with a total indebtedness of $293,310.90 there are 88 who are already repaying the reduced indebtedness after adjustments had been made. In other words, 88 of them have come to an agreement with the director and are paying under the new conditions. This leaves 211 accounts which are not adjusted.

These 211 accounts on which no adjustment has been made as of December 31, 1953, have a total indebtedness of $205,142.26. Of those 211 accounts 41 are not eligible for a reduction for various reasons, such as the fact that the settler and his wife are both deceased or the settler has sold his farm under a private agreement and it is now impossible for the director to make an adjustment with the settler. This leaves 170 who are eligible. Of the 170, there are 36 who have refused to apply for a reduction, although they have been approached and in many cases it was felt that under the order in council they would be entitled to a reduction. These people have said they would continue under the original terms of their contract until final

payment was made. However, we are continuously reviewing the cases of these settlers who have refused to accept a reduction.

There are others whose cases do not meet the terms of the order in council and who, in the estimation of the director, do not warrant a reduction now. I recall that at one time, I believe when the departmental estimates were being discussed, I quoted a case in answer to a question by the hon. member for Battle River. He thought it was a rather odd thing in that the man had refused to meet his obligations, although he was financially capable of doing so. I agreed at that time that I had possibly quoted an extreme case, but I can assure the hon. member that of the balance of 134 active accounts, the majority are settlers who are now capable of paying and who are in a financial position to do so.

I do not want to go through numerous files and name numerous cases, but I can assure the hon. member that some of these settlers are probably in a better financial position than many of their neighbours in the area. Some of them own another farm and operate two farms. They own farm machinery on which there is no debt. Some have homes in the city in addition to their farms, and spend the winter in the city. I will admit that such cases are limited in number, but the hon. member will have to admit also that the number of cases left is quite small indeed. As I say, it is now 134.

Mr. Brooks: May I ask the minister another question? I was rather interested in the 36 who refused to accept assistance. What would be their reason for refusing? Would it be because they are not able to meet the terms of the provisions laid down by the board?

Mr. Lapointe: I think the best way to answer the hon. member is to read a letter. I do not think he will ask me to quote the name, but it is from one of those settlers who was approached by the supervisor of his district because the supervisor felt the man had reached an age and the productivity of the farm had reached the stage when he should get a reduction. The letter reads as follows:

In reply to your letter—

And the number of the letter is given.

—dated April 11 I am afraid I shall not be interested in the proposal you put forward for some years, if in fact I am ever interested in it.

Firstly, it will take the next three years to catch up with the urgent dilapidation—barn, roof, eavetrough, woodshed, veranda, hydro.

Secondly, I am more interested in completing my own payments than accepting quite unnecessarily (in my case) government handouts. I am 66 years old in August, and I am told I shall get the old age pension of $40 a month when I am 70. I am in perfect health, and I intend to stay on my farm, as long as I live. So do not feel there is any need to worry about making a yearly payment of about $170.

[Mr. Lapointe.]

Then he goes on to say that lambing was not good but that the calves were good. This is one of the cases. I will admit they are not numerous but, as I said before, we are dealing with only a hundred odd cases. And because of the circumstances I do feel, although I have the greatest sympathy, as has everyone else in the house, for all these soldier settlers who went through a hard period of their lives on these farms, that the matter has now reached the point where it is a question of a few individual cases. In all fairness to the other veterans and to the taxpayers of this country, I do not feel these men who now are left and who are capable of meeting their obligations should get clear title.

I am quite willing to propose to the hon. member for Battle River-Camrose (Mr. Fair), who has been such an advocate for these settlers that, now that this matter has reached such small proportions, I am willing personally to go through every one of the files of these 134 settlers who might be able to qualify for reductions and obtain clear titles under the present proposal. And I am willing, after having gone through them, to submit to him my opinion on each case, and let him discuss whether my views have merit or not. However, I regret that under present conditions it is impossible for me—and I am speaking for the government—to accept my hon. friend's resolution. I shall have to vote against it.

Mr. Victor Quelch (Acadia): Mr. Speaker, I should like to make a few remarks arising out of the statement made by the Minister of Veterans Affairs (Mr. Lapointe). He has admitted that the settlers under the old Soldier Settlement Act suffered undue hardship, partly on account of the way the act was drafted at that time and also largely due to the fact that in those days we appointed a number of men who, in reality, were not qualified to act as soldier settlement supervisors. As a consequence of this many of the veterans were saddled with land at exorbitant prices. They also acquired stock of poor quality at exorbitant prices. And so, as a result of these conditions, they had two strikes against them before they started.

The hon. member for Battle River-Camrose (Mr. Fair) has referred to the difficult situation in which the soldier settler found himself during the depression. The Minister of Veterans Affairs replied that civilian farmers, also, found themselves in the same position. But let me point out to the minister that there

is a vast difference. Soldier settlers, prior to the depression, had been saddled with exorbitant debts as a result of inflationary prices. Civilian farmers, on the other hand, had been benefiting from those exorbitant prices and, as a consequence, had been able to build up a reserve which helped to carry them through the depression.

So there is very little similarity between the two cases. On the one hand you have a man saddled with a heavy debt as the result of high prices, and on the other hand a man who has been able to build up a reserve as the result of those same high prices. So I suggest to the minister that there is no comparison between the two cases.

I speak with some knowledge of what I say, because I was one of those who settled under the old Soldier Settlement Act. I remember well the great difficulties in trying to carry on between 1930 and 1935. As a matter of fact, I think I could say that one of the reasons I am down here in parliament today is because I got so disgusted with the whole thing that I became somewhat hostile to the government of the day, and took a greater interest in politics than I would have done otherwise.

I do not wish to criticize unduly the supervisors of the soldier settlement board. I am frank to admit that during the years I always found them very sympathetic. But they used to point out to me that they were tied down by the rules and regulations under the act, and could not do anything about it. To the extent that they were able to do anything, I always found them most sympathetic. And my remarks about the soldier settlement supervisors of the early period do not in any way refer to the type of men who are on the job today. I know that those men we have today are, in the vast majority of cases, of a very fine order, thoroughly competent to deal with the situation.

The minister has also referred to the fact that many concessions have been made, and I agree with him that many concessions were made. But I remember only too well that those concessions invariably were too little and too late. The government waited until the arrears of interest had piled up to such a point that a settler was discouraged from trying to make any further payments. Then they would come along with a reduction, but that reduction was not sufficient to cancel all the arrears of interest.

Then again, a reduction was made in the amount owing on capital equipment. But due to the fall in prices that reduction was nowhere near the depreciation in value of that capital equipment. And so I repeat that while concessions have been made to those soldier settlers, they were always too little and too late to deal adequately with the situation.

The minister has said that the purpose of the act was to re-establish these men within a period of 20 years. That was originally its purpose. How long ago is it since these men were saddled with that debt? It is approximately 35 years. That is to say, it has required 35 years to establish many of the men who were supposed to be established, under the act, within a period of 20 years. I think we can say therefore, on that ground that as these men have not become established, due to no fault of their own, there would be every good reason for wiping out the amount of their indebtedness.

The minister has suggested that some veterans who left are capable of paying off their indebtedness, and pointed out that some of them are now living in towns. Well, I know several who are living in towns. Some years ago my attention was drawn to a couple who were living out in a drought area; I do not need to mention the name of the place. I went out there and found a family of a man, his wife and seven children, living on a farm on which no man should ever have been settled. It was nothing but a bunch of sand dunes.

I said to him, "Why do you not get out of here? You will never make a living off this farm." He said, "I am getting war veterans allowance to help me out, but they are deducting $15 a month for rent." All he had was a hovel, a two-room shack to house his wife, himself and their seven children. I suggested that he get off that farm and move to town, and that he would get the full amount of the war veterans allowance. He did go to town, and I made arrangements for him to get a small house there. When he left the farm he was able to get the full amount of the war veterans allowance, and I wish to congratulate the war veterans allowance board upon agreeing that the full amount should be paid.

I do not know what happened to the farm. It stands to reason that no one could make a living on it. No doubt it went back to the soldier settlement board and was included in the list of farms upon which soldier settlers had failed to become re-established. That man is now living in town, but no one can say that he is in good circumstances simply because his financial position has improved to the point where he can have a house in town.

There are many of these old settlers who have moved to the towns because they have

become too old to carry on farming operations. They may have a cheap house in town and have rented their farms. The payments they receive from the rents are being made against the indebtedness. They are living on the war veterans allowance. These men are getting old; some of them are now 70 years of age. Surely instead of insisting that every little bit of money they can get should go to the soldier settlement board those veterans should be in position to put a little money aside to look after themselves in their old age. They have not been able to build up any reserve in many cases.

The suggestion has been made that the giving of clear titles to these veterans would create an injustice to other veterans who have paid. I do not think the minister need be worried on that score. That is not the attitude of the Legion, which has supported the idea that clear titles should be given, although they have not pressed for that. As a veteran I know that I certainly would not feel that way, and I went through a lot of hardship in the thirties. I am sure all fair-minded veterans who find themselves in the fortunate position of having been able to pay off their indebtedness and thus get into better circumstances would not for one minute object to this concession being granted at this late stage of the game. The minister should be prepared to go one step further than he suggests and wipe out the debts still owing by this small number of veterans.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, perhaps one who did not serve in the first world war should not enter into this debate. I think the hon. member for Battle River-Camrose is to be congratulated upon his persistence year after year in bringing up in the House of Commons this case of a decreasing number of elderly gentlemen. The hon. member for Acadia (Mr. Quelch) has just stated that he is one of those who settled under this act. I am quite sure the hon. gentleman is not one of the 134 mentioned by the minister.

Mr. Quelch: I paid up in 1935.

Mr. Goode: Quite true; you did.

Mr. Quelch: I was one of the fortunate ones.

Mr. Goode: You might be fortunate, but I am sure the hon. member—I say this with all kindness to the 134 men—had a little more fortitude than some.

Mr. Quelch: I didn't pay it from my farm, I paid it from my indemnity.

Mr. Goode: The hon. member fulfilled his obligations. I am usually sympathetic toward cases of this kind, but I am not going to be sympathetic to this one. According to my notes, the minister told us that in 1948 there were 2,637 settler accounts to a total of $2,840,000 odd; in 1953 there were 299 active accounts to an amount of $293,300; at the present time there are 134 active accounts, and the minister mentioned some of those.

I do not suppose all those gentlemen should receive consideration from the department, although the hon. member for Acadia has made the point that some of them should be considered by the minister. The minister has said that he is willing to go through the files, and I hope he does. If he finds that there is one man who should receive consideration, then his time will be well spent.

In voting for or against this resolution I must take into consideration the taxpayers of Canada. I shall vote against the resolution for the reasons so ably stated by the Minister of Veterans Affairs.

Mr. Robert Fair (Battle River-Camrose): Mr. Speaker, I have only a few words to say at this time.

Mr. Deputy Speaker: May I remind hon. members that if the hon. member for Battle River-Camrose (Mr. Fair) speaks now he will conclude the debate.

Mr. Fair: Mr. Speaker, I do not intend to take up very much time because I have taken up quite a little already. I am not sorry for doing that, because I feel that an injustice has been inflicted upon a number of people, and I consider it my duty to see that it is remedied, if at all possible.

I thank the minister for the detailed information he has given the house. He gave the amounts that were wiped out by the different processes. I went into those different items in detail. While a number of concessions were granted, they did not at any time compensate for the unnecessary load that was piled upon these settlers to begin with. That has been my objection all the way along.

I have stated before that in my particular part of the country land was sold by farmers to the government at high prices, and then resold to veterans. I know of one particular case where a man sold his farm to the government at four times the price of other land in the vicinity, and that land was sold back to the farmer's son. I bought some of that land at one-quarter the price.

The same thing may be said about the purchase of farm implements and livestock. I cited some cases and gave particulars, and I think they should satisfy the house or anybody interested that land, livestock and equipment were bought at inflationary prices.

Within a few years prices had fluctuated to such an extent that it was impossible for these farmers to make a living or to come out at the right end of the deal.

The minister has said that he will go through the files. I only wish he had been minister in 1937, when I first brought up this matter. If he had gone through the files at that time he might have prevented a lot of men from being evicted. The minister has made reference to men living in the cities or in some cases on their farms, who are able now to pay their debts. I would tell the minister that that has not been done by the settler alone. If he will investigate those cases he will find that the man's wife and his children—I shall not suggest any particular number—have been working, and after 35 years the farmer has reached the position where he can pay for his land.

I hope the minister will go through the remaining files. In order that his hands may be strengthened in dealing with these 134 people who remain I hope to call a vote.

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

YEAS

Messrs:

Adamson
Argue
Barnett
Bell
Blackmore
Blair
Brooks
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fair
Fairclough, Mrs.
Ferguson
Fleming
Fraser (Peterborough)
Fulton
Gillis
Green
Hahn
Hamilton
Hansell
Harkness
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Low
Macdonnell
MacInnis
McCullough (Moose Mountain)
McGregor
McLeod
Michener
Monteith
Montgomery
Murphy (Lambton West)
Nicholson
Noseworthy
Nowlan
Patterson
Pearkes
Perron
Quelch
Regier
Robinson (Bruce)
Shaw
Small
Stanton
Starr
Stewart (Winnipeg North)
Thatcher
Thomas
Trainor
Tustin
White (Hastings-Frontenac)
Winch
Wylie
Yuill
Zaplitny—75.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Benidickson
Blanchette
Boisvert
Boivin
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Bourget
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Cannon
Cardin
Cauchon
Cavers
Clark
Claxton
Cote
Crestohl
Denis
Deschatelets
Deslieres
Dupuis
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Lafontaine
Lapointe
Leduc
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
McCann
McDonald
McIlraith
McIvor
McWilliam
Mang
Martin
Matheson
Meunier
Monette
Murphy (Westmorland)
Nixon
Philpott
Pickersgill
Pinard
Poulin
Pouliot
Power (St. John's West)
Proudfoot
Prudham
Purdy
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robinson (Simcoe East)
Ross
St. Laurent
Shipley, Mrs.
Sinclair
Smith
Stuart (Charlotte)
Studer
Tucker
Valois
Villeneuve
Weaver
Weir
White (Waterloo South)
Winters
Wood—113.

CANADA ELECTIONS ACT

PROPOSED AMENDMENT TO EXCLUDE HOLDING OF GENERAL ELECTION DURING JULY OR AUGUST

Mr. Rodney Adamson (York West) moved:

That, in the opinion of this house, the government should take into consideration the advisability of amending the Canada Elections Act so as to exclude the holding of a general election during the months of July or August except in a state of emergency.

He said: Mr. Speaker, at the outset I wish to stress the last five words of this resolution,

namely "in a state of emergency". By including these words the resolution specifically does not take from any government in power the essential right to call an election should an emergency exist. The purpose of the resolution is merely, under normal circumstances, to regard the hot summer months in the same way we regard the frigid winter months, as being improper times to hold a general election. If passed, the resolution is merely a recommendation to the committee which will be set up to revise the Canada Elections Act. At the outset I would ask a favourable decision of the house because I feel it would certainly be in the interests of succeeding parliaments to do as I have suggested.

The modern concept of free, democratic government depends upon two things. The first is that those chosen to represent the people in legislatures shall be elected by a free vote, and that the conditions of the franchise shall be as universal as possible. The second condition, which is equally important, is that a large percentage of the electorate shall take part in the election so that the candidates who are chosen to represent the people shall in fact be the choice of the majority.

Our system of elections provides that the candidate who obtains the largest number of votes shall be elected to the house whether or not he obtains a majority of the votes cast. All that is needed is a plurality over the other candidates individually. We have rejected—and rightly so, I think—such systems as the single transferable vote and any form of proportional representation. In the 1953 election, as I will shortly show, in a huge number of constituencies in Canada the largest number of electors were not those who voted for the member who now represents the riding in this house but those persons who in fact did not vote. In some cases those not voting actually exceeded the total vote cast for all candidates.

Anything which tends to restrict or prevent an individual vote being cast is dangerous, and the end result is bad no matter whether the steps taken to prevent the vote being cast are of a coercive nature or whether they take the form of encouraging apathy in a general election. We in Canada have been fortunate in that coercive practices have been kept to a minimum. We have not, however, been so fortunate with regard to the overcoming of apathy toward our national problems, and it is this danger which is increased by an election held in the heat of the summer and during the period when Canadians living in urban centres are, by national habit, on holidays.

Prior to the end of the 21st parliament, when the August 10 date for the election was given publicity in a newspaper which is close to the government, the question of apathy was raised in the house by the hon. member for Eglinton (Mr. Fleming), to which the Prime Minister (Mr. St. Laurent) replied that it was more important to see that the electors were at home during the enumeration than on election day because if they were not on the list of electors they would be deprived of their votes.

This argument is both naive and spurious; naive because if a citizen is out of his electoral district on election day he obviously cannot vote no matter whether or not he has been enumerated, and spurious because if an elector is not on the list even a few days before the election he can be sworn in by the provisions of the elections act as recently revised. There was a case in my own riding of York West where the residents of a whole street had been omitted by the enumerators, but thanks to the good offices and efficiency of the chief electoral officer they were put on a special list of electors and thus enabled to cast their votes.

Mr. McIlraith: Who said that?

Mr. Adamson: It was done. A whole street was omitted but the residents were enumerated, put on the voters' list and cast their votes. We worked all day Sunday to get it done for the voting on Monday. I wish to say now that the chief electoral officer was extremely co-operative. The case involved a street running between two long streets of new houses, and neither the enumerating team on the first street nor the enumerating team on the second street took the trouble to enumerate the cross street. I think this was discovered on the Friday night. Anyway, the officials worked on Saturday and Sunday, got the list printed, and everybody on that street was entitled to vote.

Mr. Cardiff: Would that be legal?

Mr. Adamson: Oh, yes, absolutely legal. Furthermore, if enumeration takes place at a time when many people are away, the enumerators can and generally do, because it is in their interest to do so, find out the names of those persons normally resident in the house which may be vacant and add them to the lists. A family who may be holidaying when the enumerator calls on them can be placed on the election roll and enabled to vote, but if the same family is away on election day they lose their votes.

In a country as subject to the great extent of temperature and climatic variations throughout the year as Canada, climate has a very important part to play in our lives.

It is generally considered inadvisable to hold elections during the harvest period, and it would be obviously wrong to hold an election during the bitter winter months. Both of these periods would deprive large numbers of Canadians of their right to vote. The same holds true of a midsummer election in the months of July or August, particularly for the urban voter, and the results of the 1953 election were nothing short of disgraceful in this regard.

What is equally disquieting, however, is the showing for the provinces of British Columbia, Alberta and Manitoba, where in 1953 the vote showed that in only five constituencies in these three provinces did the elected member's vote exceed the number of citizens registered who failed to exercise their franchise, whereas in 1949, when the election was held in June before the holiday season had really got under way, 36 constituencies returned members to this house whose vote exceeded the unpolled vote.

I propose to deal with this in more detail in a minute. I have worked out for every constituency in Canada for the 1949 and 1953 general elections the number of those who did not vote and the difference between these figures and the number of votes cast for the elected members. I do not ask that these figures be placed on *Hansard* but I suggest that, if they could form an appendix to *Votes and Proceedings* and be printed later at the convenience of the printing bureau, it would show every member how his constituency voted and the trend as between 1949 and 1953. I have also worked out a summary of the figures for each province for the 1949 and 1953 elections, and I would ask permission to have these summaries placed on the record.

Mr. Speaker: Has the hon. member leave to place these summaries on the record?

Some hon. Members: Agreed.

Mr. Speaker: Does the hon. gentleman mean that they should be interspersed with his remarks in *Hansard* or that they should be an appendix to *Hansard*?

Mr. Martin: *Votes and Proceedings.*

Mr. Adamson: If I may speak to the question, the results for the individual constituencies take up several pages. I think *Votes and Proceedings* would be satisfactory for them, but the summaries give the story in detail.

Mr. Speaker: Is that agreeable?

Some hon. Members: Agreed.

(For tables and summaries see appendix, pages 1517 to 1534.)

Mr. Adamson: The distribution of the Canadian electorate is approximately evenly divided between urban and rural voters. As I said at the beginning of my remarks, the city dweller takes a holiday during the summer months. This is particularly true of the industrial worker, and it has become a common practice for entire industrial plants to close down for a period of two weeks sometime during these months.

The industrial worker in Canada today generally goes on a trip or takes his family out of the hot city to a summer resort or cottage, frequently situated on one of our beautiful Canadian lakes. When he has moved his family or is on a trip he cannot be expected to return to vote, because the expense entailed in bringing his family back from the lake doubles his cost of transportation for his holiday, and this he cannot afford. Therefore, if an election is called while he is on holiday he is disfranchised. There is just no other word for it.

In my own riding the largest aircraft factory in Canada, the A. V. Roe Company, was closed during election day, and there is no doubt the huge majority of the employees were deprived of their vote. There were other industries in the same position. The result was that the vote in York West fell from 75 per cent in 1949 to 61 per cent in 1953, that is of the total electors on the list. I was elected by 25 per cent of the electors on the list in my riding, yet I obtained 42 per cent of the vote cast. This I consider to be far from satisfactory.

However, my position is substantially better than many of the other Toronto and York ridings. The members for the city of Toronto itself obtained only 26 per cent of the total votes on the lists, and in the 7 York seats only 25 per cent of the total electors. Therefore the members who represent Canada's largest city in this parliament only represent really about a quarter of the electors. In other words, there were three times as many people who either did not vote or voted for somebody else as those who voted for the members who claim to represent the various ridings in Toronto and the Yorks.

To put it another way, the unpolled vote in Toronto exceeded the total vote of all the Toronto members by 758,500 votes, or an average of 6,900 per constituency. In the Yorks the figures were 52,530 or an average of 7,500 per constituency. The unpolled vote in both Toronto and the Yorks came to the staggering figure of 337,000, over one-third of a million, and it exceeded the total votes cast for all the elected members by no less than 129,000. In 1949 the members were

elected for Toronto with a majority of 4,345 over the non-voters, and in the Yorks with a majority of 1,135. Thus it can be seen that the members from Toronto and the Yorks in the 21st parliament had a majority of nearly 10,000 votes over the non-voters, whereas in 1953 this had changed to a minority of 129,000. The percentage cast in Toronto in 1949 was 71 per cent. This dropped to 57 per cent in 1953. The percentage vote cast in the Yorks in 1949 was 73 per cent, and this dropped to 60 per cent in the 1953 election.

The largest non-vote in Canada was in York South, where no less than 28,242 electors failed to vote, and the difference between the non-vote and the vote cast for the elected member was 16,026. In York South the votes cast for the elected member were less than one in five; actually only 19·6 per cent of the electors on the list voted for the member who represents the largest riding in Canada. I may say that the hon. member and I have discussed this; and while I am not speaking for him, of course, I am sure the same conditions obtained in his riding as in mine. In fact I believe the same conditions obtained in all the industrial and urban ridings in Canada.

The situation in Montreal is almost equally deplorable. In 1949 the members elected had a majority of 73,500 over the non-voters, whereas in 1953 this had changed to a minority of 36,236. In other words, in Canada's second city there was a changeover of no less than approximately 110,000 votes. The percentage of votes cast dropped from 67 per cent in 1949 to 59 per cent in 1953. The same holds true for all other Canadian cities.

This condition is particularly bad in Vancouver, where the non-voters exceeded the winners' vote by 29,000 out of a total of 146,000 registered votes. The same condition showed in Edmonton, Calgary and Saskatoon, although the member for Regina did receive a majority over the non-voters. The four Winnipeg ridings were also bad. As a matter of fact, Winnipeg North Centre with 22,000 non-voters or 9,000 more uncast votes than those who voted, showed almost the worst result in Canada. The worst, outside of Toronto and Montreal, was Winnipeg South Centre, with an 11,606 majority of uncast votes. The same situation holds true for Hamilton, Lincoln, London, Ontario county, which contains the city of Oshawa; for Timmins, for Waterloo North and for Wentworth, which is partially in Hamilton.

The province of Quebec, however, has an extremely creditable record and only two ridings outside the island of Montreal returned members with a vote less than that of the non-voters, that is rural Quebec. In Halifax, interestingly enough, the two members who were returned received an inferior vote to the number of non-voters. So far as I could ascertain that is the first time that has happened in many, many years. St. John's, Newfoundland, was in the same position.

Now, Mr. Speaker, that is all I have to say on the question of the urban voter and the summer election. We know the pattern of Canadian life. The average Canadian family, whether they be industrial workers, white-collar men or professional men, take a holiday during the summer. It is a national habit. It is almost as national a habit as the wearing of an overcoat in wintertime. When these people are on holidays they cannot afford to return from the place in which they are spending their holidays to exercise their franchise. The results, compared with 1949, show that the pattern of the 1953 election was deplorable.

However, there is a further disquieting manifestation concerning three out of four of the western provinces. Only in Saskatchewan was the vote for the elected members greater than the unregistered vote.

In British Columbia in only one riding, that of Kootenay West, can a member feel that his vote exceeds that of the absentees, whereas in 1949 not a single riding in rural British Columbia returned a member without a comfortable plurality.

In Alberta only the ridings of Lethbridge, Medicine Hat and Vegreville had a plurality in 1953, whereas in 1949 nine of the ridings returned members with majorities over the absentees. The total vote cast dropped from 69 per cent to 62 per cent. The story is similar or even worse in Manitoba, where the total vote dropped from 72 per cent to 59 per cent and the vote cast for the sitting members over that of the non-voters dropped from a majority of 33,742 to a minority of 62,390, or by nearly 100,000 votes.

In making this analysis, one cannot help but be impressed by the stability of the farm vote, for in Saskatchewan, rural Ontario, rural Quebec and the maritime provinces, with the exception of Newfoundland, the vote both in 1949 and 1953 can be considered satisfactory. However, here also the figures for 1953 show a distinct drop from those of 1949. In rural Ontario, for instance, the winners' vote was greater than the non-vote by 282,000 in 1949, but this had dropped to 123,000 in 1953, or by approximately 160,000 votes. In rural Quebec it dropped from 322,000 in 1949 to 270,000 in 1953. Only in New Brunswick, Prince Edward Island and rural Nova

Scotia did the vote cast in 1953 compare in percentage with that in 1949. In Newfoundland in 1949 the elected members had a majority of 501 over the non-voters, whereas in 1953 this was turned into a deficit of 8,848.

I have made this rather extended study of the election because I believe it is of the utmost importance to us in Canada. Cynics have said to me, "Why do you worry? You got elected anyway." I consider that to be both a dangerous and despicable argument. To have the support, as I have, of merely one out of every four of my constituents is not a situation which can give me much comfort, yet every member from Toronto and the Yorks is in the same position, as are nearly all members from the island of Montreal, although the situation there is somewhat better than in Toronto, and all members from the larger urban centres in Ontario and British Columbia and practically every member as well from Manitoba, Alberta and British Columbia.

Therefore, to say that this parliament is truly representative of the majority of the Canadian people, or that the present government by any stretch of the imagination represents a majority, is extremely far from the facts as they are disclosed by a study of the past two elections. Whether or not the government would have been returned, or whether or not any individual would have been returned, or what the success of the various parties would be is not the question. The question is what percentage of the Canadian people do we in this sovereign parliament really represent. In my view it is a dangerously small minority. I place the blame for this largely on the summer election and the national pattern of Canadian life.

It may be said in defence of a summer election that it is easier to carry out the work of an election in the far northern parts of Canada during the summer than in the spring or fall when the break-up of the ice has to be contended with. This is no doubt true, but the number of ridings so affected would probably be only three or four, as compared with well over a hundred that are affected adversely. In this regard also it is interesting to compare the vote of the far northern ridings in 1949 and 1953. The surprising thing is that very little change is discernible in the picture for 1953, and what change there is is for the worse.

Once a country starts depriving people of their votes, even by holding an election at an awkward time, the free institutions of that country are in jeopardy.

I present this resolution to the house in absolute sincerity. We do not represent a majority of Canadians, as we should. We fail to represent them, not through any act of coercion but merely because an election was held in the summer months, in the extreme heat, when apathy toward political matters was at its height. No matter whether I would have been elected or not, no matter whether any other member would have been elected or not; that is not the problem. The problem is this. We must take such great care of our electoral franchise that when the next general election rolls around the members who sit in this chamber can say, "At least we do represent a majority of the Canadian people".

Mr. Speaker: The hon. member for York West asked a moment ago that certain figures be printed as an appendix to *Votes and Proceedings*, to which the house agreed. The Clerk now reminds me that it is difficult for him to enter such material in *Votes and Proceedings*.

A motion has been moved and debate is continuing thereon. An amendment, or other proceedings, may take place—but not the tabling of documents, which usually is done under the order for motions. Therefore it would be proper at this time only to have these figures printed as an appendix to *Hansard*.

Some hon. Members: Agreed.

Mr. Speaker: If that is agreeable, and if the house is prepared to change its mind, that could be done.

Mr. Martin: May we find out from the hon. member how many pages are involved? I think this is not the usual procedure, and the material he offers is not really germane to the argument he has adduced. It is interesting information; but how many pages are there?

Mr. Adamson: I should think that it would take up three or four pages of *Hansard*. If I may be permitted to discuss the point raised, I would say that I had merely wanted this table made available so that it could be seen by the committee when revising the Canada Elections Act, when it is set up. I am sensitive about burdening *Hansard* with extraneous material, and I had thought that placing it in *Votes and Proceedings* would be the easier way of doing it. However, if placing it in *Hansard* is satisfactory to the house, I shall be content.

Mr. Speaker: Perhaps we ought to be more sensitive about what is printed in *Votes and Proceedings*, because they constitute the official record of the house. Therefore I feel

much happier about printing the additional material in *Hansard* than in *Votes and Proceedings*. Is it agreed?

Mr. MacInnis: Before it is agreed, we should know who prepared the figures, under what authority, and that they are correct. This should be done before it is printed in *Hansard*. If they come from a government source that would be all right, but I should think it would be unnecessary to place them on *Hansard* because that source would be available to any committee just as though they were on *Hansard*. I think it is important to know what authority there is for the figures.

Mr. Adamson: They were sent to me by the chief electoral officer. The figures show the difference between the non-voters and the elected member's vote. I think this is the first time that figures for non-voters have been prepared. While the figures are not as yet official, they came from the chief electoral officer. Ordinarily they would not be available until the blue book is published, but the figures I have used come from a document published by him.

Mr. MacInnis: If they are from the chief electoral officer I withdraw my objection.

Some hon. Members: Agreed.

Mr. Adamson: I may say that the percentages have been worked out by me on a slide rule, and there may be some slight discrepancies.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I rise to oppose the motion moved by the hon. member for York West (Mr. Adamson) for three reasons. The first, and I think far and away the most important one, I shall deal with last. I am one of those people who believe that there are enough rigidities in our constitution and that it is most undesirable to add any more unless the reasons are really compelling. I recognize that that is a conservative, a reactionary, perhaps even a Tory argument, but I do not hesitate to make it because in respect of the constitution I am conservative, perhaps I am reactionary, and perhaps there is some relic of the Toryism in which I was brought up.

The second reason I oppose this motion is that it seems to me there is imported into it a phrase which is generally given a technical significance—I do not know whether the hon. member intended it to have that—and I refer to the words "state of emergency". I do not want to get into the kind of debate that has taken place in this house on some other measures, as perhaps that should be left to other measures, but if by "state of emergency" he means the state of emergency contemplated by the War Measures Act of 1914, then I feel this proposal would be far too restrictive, and if there is time I shall try to show why I think that is so.

The third reason is that like the hon. member for York West I too am a member of parliament for a particular constituency. Perhaps both of us tend to look at things from rather a local point of view. I cannot go along with the hon. gentleman, as I prefer to go along with the bureau of statistics in the view that Montreal is still the largest city in Canada.

Mr. Adamson: Not since the first of the month.

Mr. Pickersgill: It seems to me that the rest of his reasoning was rather along the same lines. It was rather looking out from Toronto to the lesser breeds than looking at the rest of the country from the point of view the rest of us are apt to take.

As hon. members know, my direct personal experience with Newfoundland is not very great, but I can say that at least in 1953—I saw them myself—there were still many icebergs along the coast in June. It would not have been easy or perhaps satisfactory to have had an enumeration in that province in April. I imagine it would be almost impossible to do it properly in March or February or January.

I do not want it to be thought that my view is that the date of the election should be fixed primarily to suit the convenience of the five constituencies in Newfoundland which are not largely urban. I agree with what I think were the implications in what the hon. member for York West said, that probably there is no time for an election that works out to a better average for the whole country than the last fortnight in June, but I do not think there is any doubt that the best and safest months for an election in the five outport constituencies, if I may use that term, in Newfoundland are July and August. Then there would be the greatest certainty of having good weather.

Mr. Fleming: Good political weather?

Mr. Pickersgill: So far the political weather in Newfoundland has been sunshiny most of the time. I was referring to the kind of weather the Minister of Transport (Mr. Chevrier) keeps track of.

Mr. Fleming: Which is that? There are still two kinds.

Mr. Pickersgill: That kind of weather one year with another is apt to be best of all in the month of July, and the next best month is usually August. It may vary from season to season. I do not think there is much doubt that the slightly larger vote in Newfoundland in 1949 than in 1953 had little or nothing to do with the fact that one election was on June 27 and the other was on August 10. The election in 1949, being the first one after confederation, perhaps excited an exceptional amount of interest. If it would not be unbecoming in me to say so, I might suggest that in 1953 a good many people rather took for granted what the results of the election were going to be, and therefore there was not quite as much interest on that account.

Then the hon. gentleman, still looking from the vantage point, perhaps I should not say of Toronto but of Port Credit, referred to our national habit of taking holidays in the month of August. I have no doubt that in the metropolitan area of Toronto that has become a local habit, and there are many other parts of Canada where it has also become a local habit. But most of the people who go away from Bonavista-Twillingate in July and August do so because they have to earn their living, not because they are going on holidays. There is quite a lot of difference between conditions along Mississauga road and those in other parts of the country.

I know the hon. gentleman would at once rise to correct me if I suggested that it would not be a very great hardship to come back from Muskoka to Port Credit on a nice August day. He would say at once that he was not referring to people who can afford to go to Muskoka but to the industrial workers, especially in those plants which are shut down so that everyone may be on holidays. I think that is a problem.

This is a new problem that we did not face even in 1949. I think it is a problem which ought to be considered by the committee which I trust will be set up next year to look at the Canada Elections Act. I am just expressing here an offhand opinion and do not wish to be considered as committing the government, particularly as the government, in relation to the elections act, has never taken the same kind of position it takes in relation to most other legislation. It has always been understood that the elections act is directly the concern of both sides of the house and that the government has no special responsibility for it except to the extent that the government has on its side, generally speaking, more members than are on the other side.

It seems to me that the right way to tackle the problem is to consider ways and means of providing for somewhat wider advance polling. I know there are great difficulties in doing that, in ensuring that there would not be frauds, that there would be no possibility of double voting and that sort of thing, but I do not think it should just be dismissed on that account. It seems to me that that is a better way of going about it.

I do not agree with what the hon. gentleman said about enumeration and voting. It seems to me a great many people are much more apt to be careless about getting their names on the list than they are about voting. We all know that under the present law enumeration takes place soon after an election is called and there is not yet the degree of public interest that develops later on in a campaign. It is much more difficult to get the individual voter to take his responsibility seriously to get his name on the list, other things being equal, than it is to get him to vote. I feel it is quite as important to make as sure as we can that adequate steps are taken to have the enumeration done at a time when it will be carried out properly, and to take all the other necessary precautions to see that people are encouraged to get their names on the list and that the list is a proper and full list—not too full—as it is to get people to vote.

The hon. gentleman talked about apathy during elections. I think that is a genuinely serious problem. I do not deny it for a moment. But I might just remind the hon. gentleman that there was a municipal election held in the city of Toronto last December for the purpose of electing a mayor and council; and it seems to me, though I do not carry the precise figures in my head, that the vote was under 30 per cent. Twenty-nine per cent is the figure that runs in my mind. It may have been that there were only a few more shopping days before Christmas, or it may conceivably have been that there was not much interest in that election and that the outcome was regarded by most of the voters as a foregone conclusion.

I am afraid, human nature being what it is, that when the outcome of an election is more or less a foregone conclusion, then regardless of what you do, short of making voting compulsory, there will be fewer people voting than when the people believe there is a real contest. I believe if we look over the results—and we will be able to do that since the hon. gentleman has gone to a lot of effort, which I think we all appreciate,

to produce figures which will give us a clearer picture than perhaps we had before of what happened in 1949 and 1953—and if we apply to them our knowledge of ridings where most people thought they knew what the result was going to be, and the other ridings where they felt the result was in considerable doubt, it will be found that it was in those in which the contest was lively that the vote generally speaking was higher than in those where it was rather a foregone conclusion.

If I may allude once more to the province of Newfoundland, I am not sure that of the outport ridings the vote was not a little larger in the one where I was a candidate than it was in the other four. I think the answer to that is that in the other four ridings the result was absolutely a foregone conclusion, while there might have been some people who thought that in the case of Bonavista-Twillingate the result might have been in some doubt.

Mr. Knowles: It was those cartoons which put you in.

Mr. Pickersgill: Unfortunately the cartoons obtained a wider circulation in the district represented by the hon. member for York West (Mr. Adamson) than they did in Bonavista-Twillingate. That is for me a matter of genuine regret, because I feel that if those cartoons had been circulated more widely in Bonavista-Twillingate more people would have voted, and I really have not very much doubt that if more people had voted the proportion would have been just about the same.

Mr. Martin: Did the hon. gentleman have the largest majority on the island?

Mr. Fleming: Don't make him blush.

Mr. Pickersgill: No, the hon. gentleman who represents Burin-Burgeo (Mr. Carter), and represents it with great distinction in this house, had the largest majority in Newfoundland and proportionately one of the largest in any part of the country. I believe nine people out of every ten who voted, voted for him. In the case of my riding, I say when I do not expect to be corrected, that it was four out of every five. In fact I worked it out, and it was 79·9 recurring per cent. That was on the last figures I was able to get from the chief electoral officer.

Mr. Fulton: What did Joey promise? I mean what did he foretell?

Mr. Pickersgill: Nothing whatever but good government, and I didn't make any promises at all.

[Mr. Pickersgill.]

There is another reason I find it rather surprising that a member of the opposition should be introducing a motion of this kind, and I think it does great credit to the hon. member for York West that he should be so non-partisan as to do so. I took the trouble to look up the Parliamentary Guide to see when general elections had been held since confederation. I found that elections had been held on more days in the month of August than in any other month. In 1867 the election extended from August 7 to September 20, which means it took place in all but six days of the month of August. In 1872—they wanted to be really sure—it extended from July 20 to October 12. It included every day of August. I do not know whether they voted on Sundays in those days.

Mr. Adamson: It was an entirely different election.

Mr. Pickersgill: On both occasions, if my memory serves me right, the history books tell us the Conservatives won the elections. An election was called in January, 1874, and I have no doubt whatever the date may have had something to do with it, though not very much, and it was on that occasion that the Liberals won an election for the first time.

I skip over the others because there was no other election in either July or August until the year 1930, when an election was held on July 28. If I am not mistaken that was the last occasion on which the Conservative party was returned to office.

So, sir, this would be a self-denying ordinance, if you like, which the hon. gentleman is proposing, and perhaps we on this side of the house should welcome it except that it would tie our hands—

Mr. Fleming: Give the people a chance.

Mr. Pickersgill: —and give the people a chance to put the Conservatives in office once again.

Mr. Fleming: We would not disfranchise hundreds of thousands of people as you deliberately did.

Mr. Speaker: Order.

Mr. Pickersgill: I think, sir, that the hon. member for Eglinton (Mr. Fleming) with his customary good humour and moderation is somewhat imprecise in his use of the term, if I may dare to be so academic as to put it that way after what was said about me the other day by the hon. member for Greenwood (Mr. Macdonnell). Nobody was disfranchised. If there are a great many Canadians who value their holidays more than their franchise that does not mean they were

disfranchised. I think that kind of rather loose talk does not really do very much to improve public regard for our institutions. That is only my opinion and I am a novice in public life, as everyone knows.

Mr. Fulton: That is, in front of the curtain.

Mr. Pickersgill: Mr. Speaker, I do not know that I have done much hiding behind curtains or anywhere else. No matter how embarrassing any question may ever be on which I am called upon to vote in this house, I do not think I shall ever find it necessary to be out of the house when the vote is called.

I want to come back to what I said, at the beginning of these rather disjointed remarks, was in my opinion the most serious objection to this motion. Of course, my colleague the Minister of Finance (Mr. Abbott)—if I may take his name in vain when he is not here—would not think this was an objection at all, because he would say that all this resolution says is that in the opinion of the house the government should take into consideration, etc. I would not object to it either, as long as we could be sure in advance that that consideration would be unfavourable. But since there are certain hon. gentlemen opposite who, when a motion has been adopted asking the government to take something into consideration, have a habit of dropping out a few of the words—and I do not say distorting them—but giving the impression to others that some decision was made rather different from the one that was actually made, I think it would be inadvisable to take this kind of risk.

What I am really coming to, Mr. Speaker, is this. If the government did consider this suggestion favourably, or if anyone else did consider it favourably—and I take it that anybody on either side of the house could introduce an amendment to the elections act; the hon. gentleman could have done so just as well as the government—and if anybody introduced such an amendment and that amendment was carried, I think it would be unfortunate. The reason I think it would be unfortunate is that, while I quite agree with the hon. gentleman that, other things being equal, the month of August is not the best month for an election—I quite agree with that suggestion—I do not think we should deny to ourselves any month of the year, because there are circumstances that are a good deal short of the kind of technical emergency envisaged in the War Measures Act when it might be extremely important to have an election.

There are some hon. members still in this house, although very few, who were here in the year 1926. Neither of those whom I have in mind happen to be in the chamber at this moment. But in the year 1926, as some hon. members who were not here then will also recall, a government was in office with a majority which, to put it mildly, was somewhat precarious. At any time in the six months between the time that parliament met early in January and the time the same parliament was dissolved on the 1st or 2nd of July, I think it was, it might have happened that that government would have been defeated in the house or that some other compelling reason would have arisen for the holding of an election.

It is true that the election did not come until September, I think it was. I have the date here and I might just as well have it right. It was September 14. I do not think September is as good a month as August for an election. But, at any rate, that election was held on September 14. If, as might easily have happened, sometime in May or June it had become necessary to have an election, I cannot think that it would have been to the advantage of the country or to anyone's advantage to have the campaign drag on for an extra month simply to let people go on their holidays.

Mr. Adamson: Surely if the government were defeated, that would be an emergency.

Mr. Pickersgill: The hon. gentleman did not define his emergency. If that is the kind of emergency he means, I do not see any point at all in his motion.

In the year 1944 there was a situation which some of us will never forget. There was a situation in this house—I do not want to recall any of the memories—when it might have been necessary to have an election at a time of year which would have been even more unacceptable than is the month of August. I think there might have been no choice but to do so if certain circumstances had arisen, but happily they did not arise.

I do not think we should tie our hands in that way, Mr. Speaker. I believe almost any government we are ever likely to have, almost any government the people of Canada are ever likely to return with a majority behind it in this house, is going to be sufficiently responsible that it would not unnecessarily set an election at a time when it was felt it would have the result of reducing the number of people who could vote. I mean that of hon. gentlemen opposite in all of the groups just as much as I do of the members on this side of the house. Maybe I am naive, but that is my honest opinion. I do not believe any of them would take their responsibility so lightly that they would unnecessarily set

an election at a time when they felt it would have the deliberate result of reducing the number of people who could vote.

Mr. Fleming: You mean from now on?

Mr. Pickersgill: I mean at any time. Because that has nothing to do with what is before us now, I am not going to enter into a discussion of the reasons which were considered good and sufficient for having the election on August 10 of last year. But I would point out, Mr. Speaker, that while the hon. member for York West says that in many ridings more people did not vote than voted for the successful candidate, that fact does not mean that the result would have been likely to be much different even if a great many more of those people had voted. We have now had a certain amount of experience—whether they are good things or bad things is not the point—with what are called public opinion polls. We have one in this country that I believe is conducted honestly and fairly, and there has been the most extraordinary coincidence, both in the provincial and the federal fields, between their observations and the actual results of elections.

Mr. MacInnis: Six o'clock.

Mr. Knowles: Would the Secretary of State permit one question?

Mr. Speaker: Order.

Mr. Pickersgill: Certainly.

Mr. Knowles: A moment ago he said—

Mr. Speaker: Order. I do not think the hon. member should put his question now when another hon. member has asked that we call it six o'clock, because it is safe to say that the Secretary of State would not have time to answer.

Mr. Knowles: Very well.

Mr. Speaker: As it is six o'clock, this house stands adjourned until tomorrow at 2.30 o'clock in the afternoon.

BUSINESS OF THE HOUSE

Mr. Adamson: What is the business for tomorrow?

Mr. Martin: It has been announced. The bill standing in the name of the Postmaster General—

Mr. Fulton: Housing first.

Mr. Pickersgill: The business for tomorrow was announced yesterday.

Mr. Speaker: May I say that I wish hon. members would inquire as to the business for the next day before I say the house stands adjourned and rise to leave the house, and before the Sergeant-at-Arms has the mace on his shoulder.

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

APPENDIX

BRITISH COLUMBIA 1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Burnaby-Richmond	33,248	17,877	12,848	*5,029*	65
Cariboo	13,298	5,756	7,330	1,574	70
Coast-Capilano	26,432	11,002	15,294	4,292	71
Comox-Alberni	19,322	10,327	11,397	1,070	65
Fraser Valley	22,854	10,487	12,587	2,100	69
Kamloops	19,295	6,740	7,682	942	74
Kootenay East	13,822	4,020	5,546	1,526	77
Kootenay West	18,249	6,163	9,794	3,631	75
Nanaimo	36,689	13,931	17,507	3,576	72
New Westminster	33,027	13,080	13,904	824	72
Skeena	10,107	5,060	5,847	787	67
Vancouver-Burrard	30,671	16,051	10,967	*5,084*	66
Vancouver Centre	24,509	14,692	10,299	*4,393*	63
Vancouver East	30,238	19,908	14,056	*5,852*	60
Vancouver-Quadra	33,530	15,909	16,661	752	68
Vancouver South	33,212	15,186	13,082	*2,104*	69
Victoria	34,760	12,495	19,324	6,829	74
Yale	31,522	10,313	13,298	2,985	75
Totals	464,785	208,997	217,423	8,426	
% of total electors on list	69%	31%	32%	1%	
% of vote cast	100%	45%	47%	2%	

Elected Members' vote expressed as a percentage of non-voters—104%

Total Electors in B.C.—673,782.

ALBERTA 1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Acadia	10,142	3,267	5,897	2,630	76
Athabaska	16,794	7,909	7,566	*343*	68
Battle River	14,124	6,423	7,708	1,285	69
Bow River	18,241	8,613	8,537	*76*	68
Calgary East	27,133	12,163	9,641	*2,522*	69
Calgary West	27,054	11,177	11,457	280	71
Camrose	15,812	6,608	7,364	756	71
Edmonton East	30,770	16,703	10,964	*5,739*	65
Edmonton West	31,416	14,749	14,333	*416*	68
Jasper-Edson	20,182	10,001	7,288	*2,713*	67
Lethbridge	19,079	8,055	8,880	825	70
Macleod	16,648	6,682	7,411	729	71
Medicine Hat	18,619	6,444	10,086	3,642	74
Peace River	20,121	8,429	7,727	*702*	70
Red Deer	19,482	8,917	10,549	1,632	69
Vegreville	16,096	4,949	8,859	3,910	76
Wetaskiwin	19,509	9,917	6,774	*3,143*	66
Totals	341,222	151,006	151,041	35	

YUKON-MACKENZIE RIVER 1949

Yukon-Mackenzie River	6,823	2,241	3,284	1,043
% of total electors on list	69%	31%	31%	
% of vote cast	100%	44%	44%	

Elected Members' vote expressed as a percentage of non-voters—100%

Total Electors in Alberta—492,228

Total Electors Yukon-Mackenzie River—9,064

SASKATCHEWAN 1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Assiniboia	18,511	3,531	8,442	4,911	84
Humboldt	16,546	5,843	8,123	2,280	74
Kindersley	16,775	3,205	7,872	4,667	84
Lake Centre	18,273	3,198	8,845	5,647	85
Mackenzie	16,525	5,047	7,564	2,517	77
Maple Creek	17,673	3,611	8,217	4,606	83
Meadow Lake	12,957	3,910	7,078	3,168	77
Melfort	16,620	6,999	7,028	29	70
Melville	19,092	3,129	11,120	7,991	86
Moose Jaw	20,911	5,391	10,026	4,635	80
Moose Mountain	20,170	3,946	9,277	5,331	84
Prince Albert	18,614	5,183	8,916	3,733	78
Qu'Appelle	20,270	3,160	9,017	5,857	87
Regina City	33,647	7,798	14,356	6,558	81
Rosetown-Biggar	16,802	3,588	8,793	5,205	82
Rosthern	12,003	6,620	7,398	778	64
Saskatoon	27,844	8,327	11,749	3,422	77
Swift Current	16,218	4,274	7,595	3,321	79
The Battlefords	16,784	4,781	8,034	3,253	78
Yorkton	19,236	5,872	8,706	2,834	77
Totals	375,471	97,413	178,156	80,743	
% of total electors on list	79%	21%	38%		
% of vote cast	100%	26%	47%		

Elected Members' vote expressed as a percentage of non-voters—184%

Total Electors on List—472,884

MANITOBA 1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Brandon	20,519	6,970	11,263	4,293	75
Churchill	15,110	5,626	6,847	1,221	73
Dauphin	17,698	5,219	7,896	2,677	77
Lisgar	16,464	7,745	9,190	1,445	68
Marquette	17,222	5,295	10,144	4,849	76
Norquay	14,126	6,375	8,430	2,055	69
Portage-Neepawa	18,400	6,192	9,192	3,000	75
Provencher	10,940	6,117	6,834	717	64
St. Boniface	18,993	7,313	10,766	3,453	72
Selkirk	21,754	8,494	7,819	*675*	72
Souris	12,757	3,304	6,108	2,804	79
Springfield	17,442	8,072	8,253	181	68
Winnipeg North	32,175	12,939	12,432	*507*	71
Winnipeg North Centre	28,977	15,101	15,389	288	66
Winnipeg South	34,230	10,933	16,235	5,302	76
Winnipeg South Centre	27,272	12,108	14,747	2,639	69
Totals	324,079	127,803	161,545	33,742	
% of total electors on list	72%	28%	36%		
% of vote cast	100%	39%	50%		

Elected Members' vote expressed as a percentage of non-voters—126%

Total Electors in Manitoba—451,882

Election Results, 1949 and 1953

ONTARIO 1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Algoma East	11,376	4,784	6,184	1,310	70
Algoma West	20,094	6,934	10,127	3,193	74
Brantford	23,651	6,816	12,565	5,749	78
Brant-Wentworth	15,782	5,062	6,693	1,631	76
Bruce	15,084	3,237	7,517	4,280	82
Carleton	34,550	7,744	18,141	10,397	82
Cochrane	13,612	5,020	6,352	1,332	73
Dufferin-Simcoe	13,483	6,569	7,639	1,070	67
Durham	14,911	3,244	6,907	3,663	82
Elgin	21,314	10,977	10,265	*712*	66
Essex East	32,086	9,307	16,709	7,402	78
Essex South	19,713	5,742	10,427	4,685	77
Essex West	36,007	17,979	15,620	*2,359*	67
Fort William	21,046	5,693	9,569	3,876	79
Frontenac-Addington	15,096	4,224	7,724	3,500	78
Glengarry	8,748	1,838	4,809	2,971	83
Grenville-Dundas	14,156	7,088	8,450	1,362	67
Grey-Bruce	17,810	4,881	10,528	5,647	78
Grey North	18,982	4,729	9,949	5,220	80
Haldimand	11,621	2,780	5,432	2,652	81
Halton	19,626	4,327	9,546	5,219	82
Hamilton East	35,707	12,959	14,035	1,076	73
Hamilton West	28,645	12,337	12,324	*13*	70
Hastings-Peterborough	12,065	3,628	6,578	2,950	77
Hastings South	25,489	5,620	13,099	7,479	82
Huron North	14,046	3,028	6,986	3,958	82
Huron-Perth	14,355	2,886	7,000	4,114	83
Kenora-Rainy River	20,381	7,403	11,297	3,894	73
Kent	28,610	7,310	14,903	7,593	80
Kingston City	18,877	4,910	10,045	5,135	79
Lambton-Kent	18,014	4,785	9,674	4,889	79
Lambton West	20,931	7,647	9,730	2,083	73
Lanark	18,393	4,205	19,921	6,716	18
Leeds	20,255	3,988	10,080	6,092	83
Lincoln	38,395	11,557	17,407	5,850	77
London	36,295	14,200	16,427	2,227	72
Middlesex East	21,568	8,473	9,258	785	72
Middlesex West	13,290	3,239	7,938	4,699	80
Nipissing	21,838	6,266	11,061	4,795	78
Norfolk	17,743	5,564	9,280	3,716	76
Northumberland	18,019	3,191	9,374	6,183	85
Ontario	32,813	9,385	13,412	4,027	78
Ottawa East	30,223	7,510	20,895	13,385	80
Ottawa West	42,517	10,113	24,295	14,182	81
Oxford	26,281	8,243	12,581	4,338	76
Parry Sound-Muskoka	24,182	7,492	11,636	4,144	76
Peel	21,576	7,417	10,570	3,153	74
Perth	22,421	6,601	10,901	4,300	77
Peterborough West	24,686	6,789	10,981	4,192	78
Port Arthur	25,065	9,651	12,646	2,995	72
Prescott	11,569	2,314	5,380	3,066	83
Prince Edward-Lennox	14,362	4,821	7,435	2,614	75
Renfrew North	16,623	3,969	8,358	4,389	81
Renfrew South	14,942	2,965	7,909	4,944	84
Russell	20,366	5,333	12,635	7,302	79
Simcoe East	20,675	5,735	10,030	4,295	78
Simcoe North	15,408	5,226	7,678	2,452	75
Stormont	21,136	5,241	12,639	7,398	80
Sudbury	35,779	10,690	15,636	4,946	77
Timiskaming	21,209	5,469	8,528	3,059	79
Timmins	18,868	6,093	7,949	1,856	76
Victoria	21,934	5,819	11,061	5,242	79
Waterloo North	32,327	13,933	17,715	3,782	70
Waterloo South	22,781	6,398	8,740	2,342	78
Welland	50,736	17,568	23,734	6,166	74
Wellington North	12,648	2,757	6,057	3,300	82
Wellington South	21,990	5,425	10,344	4,919	80
Wentworth	43,470	17,518	16,443	*1,075*	71
Totals	1,508,251	462,736	744,758	282,022	
% of total electors on list	77%	23%	38%		
% of vote cast	100%	31%	50%		

Elected Members' vote expressed as a percentage of non-voters—163%

Total Electors—1,970,987

Election Results, 1949 and 1953

TORONTO AND THE YORKS—1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Broadview	28,080	13,651	10,507	*3,144*	67
Danforth	23,774	8,127	9,969	1,752	74
Davenport	29,495	12,724	11,431	*1,293*	70
Eglinton	40,888	12,422	19,853	7,431	77
Greenwood	29,759	11,047	10,454	*593*	73
High Park	30,962	10,642	12,216	1,574	74
Parkdale	29,540	11,699	12,876	1,177	72
Rosedale	27,533	12,862	10,835	*2,027*	68
St. Paul's	34,063	18,210	14,000	*4,210*	65
Spadina	39,768	19,365	23,652	4,287	67
Trinity	30,340	10,998	10,389	*609*	73
Total Toronto	344,202	141,837	146,182	4,345	
Average Toronto		12,816	13,347	531	71
York East	57,732	22,957	22,364	*593*	72
York North	39,486	14,337	18,933	4,596	73
York South	41,852	17,258	15,293	*1,965*	71
York West	50,801	16,669	19,184	2,515	75
Total Yorks	189,871	71,221	75,774	4,553	
Average Yorks		17,810	18,944	1,135	73
Total Toronto York		212,229	221,956	9,727	
Average Toronto York		14,149	14,797	648	

TORONTO

% of vote cast	100%	41%	43%
% of electors on list	71%	29%	30%

Elected Members' vote expressed as a percentage of non-voters—103%

Total Electors Toronto—486,039

YORKS

% of vote cast	100%	37%	40%
% of electors on list	73%	27%	29%

Elected Members' vote expressed as a percentage of non-voters—106%

Total Electors Yorks—261,092

QUEBEC 1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Argenteuil-Deux-Montagnes	20,857	4,522	10,500	5,978	82
Beauce	22,286	3,918	10,267	6,349	85
Beauharnois	16,900	7,563	11,631	4,068	69
Bellechasse	12,630	3,076	7,395	4,319	80
Berthier-Maskinonge	20,210	3,746	11,770	8,024	84
Bonaventure	17,123	3,302	9,802	6,500	83
Brome-Missisquoi	15,926	5,576	8,831	3,255	74
Chambly-Rouville	33,955	11,395	20,946	9,551	75
Champlain	21,266	4,679	10,663	5,984	82
Chapleau	19,593	6,001	11,304	4,303	74
Charlevoix	16,890	4,221	9,543	5,322	80
Chateauguay-Huntingdon-Laprairie	17,191	4,914	9,986	5,072	78
Chicoutimi	21,894	4,026	10,252	6,226	84
Compton-Frontenac	17,760	4,118	10,764	6,646	81
Dorchester	14,861	2,829	6,983	4,154	84
Drummond-Arthabaska	23,192	13,652	16,899	3,237	63
Gaspe	22,368	4,147	12,567	8,420	84
Gatineau	15,148	4,233	9,865	5,632	78
Hull	28,515	6,408	18,446	12,038	82
Joliette-L'Assomption-Montcalm	32,936	7,431	18,755	11,324	82
Kamouraska	11,015	6,741	7,792	1,051	62
Labelle	18,117	3,852	8,701	4,849	82
Lake St. John	13,173	1,844	7,084	5,240	88
Lapointe	20,920	4,318	10,275	5,957	83
Levis	19,469	3,855	11,752	7,897	83
Lotbiniere	15,764	2,446	8,849	6,403	87
Matapedia-Matane	23,112	5,017	11,546	6,529	82
Megantic	22,897	4,391	13,273	8,882	84
Montmagny-L'Islet	13,299	6,135	10,004	3,869	68
Nicolet-Yamaska	20,073	4,389	10,208	5,819	82
Pontiac-Temiscamingue	18,067	4,157	7,817	3,660	81
Portneuf	18,689	4,856	10,932	6,076	79
Quebec East	35,389	9,922	25,832	15,910	78
Quebec West	23,047	7,445	12,391	4,946	76

Election Results, 1949 and 1953

QUEBEC—*Concluded*

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Quebec South	26,568	7,790	19,383	11,593	77
Quebec-Montmorency	26,033	7,336	16,829	9,473	78
Richelieu-Vercheres	19,365	4,695	12,795	8,100	80
Richmond-Wolfe	20,230	5,951	13,621	7,670	77
Rimouski	24,375	5,639	11,708	6,069	81
Roberval	16,375	2,752	8,103	5,351	86
St. Hyacinthe-Bagot	16,953	13,538	14,702	1,164	56
St. Jean-Iberville-Napierville	18,323	6,918	12,823	5,905	73
St. Maurice-Lafleche	28,123	7,203	13,898	6,695	80
Saguenay	12,782	3,480	6,113	2,633	79
Shefford	22,074	5,771	12,993	7,222	79
Sherbrooke	24,813	6,957	12,116	5,159	78
Stanstead	16,902	4,823	7,736	2,913	78
Temiscouata	16,799	9,822	11,648	1,826	63
Terrebonne	27,702	8,039	18,304	10,265	77
Three Rivers	25,883	5,750	10,015	4,265	72
Vaudreuil-Soulanges	11,404	3,483	7,622	4,139	77
Villeneuve	26,128	6,999	13,597	6,598	79
Iles-de-la-Madeleine	4,394	296	2,203	1,907	94
Totals	1,069,758	297,394	619,834	322,440	
% of total electors on list	78%	22%	45%		
% of vote cast	100%	28%	58%		

Elected Members' vote expressed as a percentage of non-voters—208%

Total Electors—1,367,152

MONTREAL 1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Cartier	23,213	13,969	11,993	*1,976*	62
Hochelaga	26,622	13,885	17,633	3,748	66
Jacques Cartier	25,359	9,375	15,298	5,923	73
Lafontaine	25,162	11,724	12,883	1,159	68
Laurier	21,348	13,968	15,578	1,610	60
Laval	28,564	11,900	18,292	6,392	71
Maisonneuve-Rosemont	30,941	14,584	20,512	5,928	68
Mercier	26,735	13,195	17,041	3,846	67
Mount Royal	34,521	16,019	21,654	5,635	68
Notre Dame de Grace	31,445	11,846	19,469	7,623	73
Outremont-St. Jean	21,615	13,940	16,215	2,275	61
Papineau	26,627	10,555	12,611	2,056	72
St. Ann	20,456	8,748	14,528	5,780	70
St. Antoine-Westmount	33,138	13,432	21,399	7,967	71
St. Denis	29,555	16,123	18,866	2,743	65
St. Henry	25,504	12,079	16,313	4,234	68
St. James	29,274	20,588	18,705	*1,883*	59
St. Lawrence-St. George	22,445	15,100	15,104	4	60
St. Mary	22,042	13,615	13,773	158	62
Verdun-La Salle	36,186	14,603	24,908	10,305	71
Totals	540,752	269,248	342,775	73,527	
% of total electors on list	67%	33%	42%	9%	
% of vote cast	100%	49%	63%	14%	

Elected Members' vote expressed as a percentage of non-voters—128%

Total Electors—810,000

Election Results, 1949 and 1953

NEW BRUNSWICK 1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Charlotte	12,441	2,920	6,197	3,277	81
Gloucester	21,362	5,457	14,759	9,302	80
Kent	11,854	1,816	5,754	3,938	87
Northumberland	17,869	3,487	9,840	6,353	84
Restigouche-Madawaska	24,587	8,933	15,919	6,986	73
Royal	18,435	3,702	9,501	5,799	83
Saint John-Albert	38,691	15,433	18,691	3,258	71
Victoria-Carleton	19,122	3,903	10,429	6,526	83
Westmorland	36,417	9,935	20,649	10,714	79
York-Sunbury	25,099	5,260	12,158	6,898	83
Totals	225,877	60,846	123,897	63,051	
% of total electors on list	79%	21%	42%		
% of vote cast	100%	27%	49%		

Elected Members' vote expressed as a percentage of non-voters—204%

Total Electors—286,723

NOVA SCOTIA 1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Annapolis-Kings	26,497	4,239	13,202	8,963	86
Antigonish-Guysborough	12,018	3,289	7,586	4,297	79
Cape Breton North and Victoria	16,748	5,979	9,461	3,482	74
Cape Breton South	33,374	11,134	15,057	3,923	75
Colchester-Hants	27,722	5,314	13,550	8,236	84
Cumberland	19,862	4,413	9,850	5,437	82
Digby-Yarmouth	20,716	5,396	11,084	5,688	79
Halifax	57,100	33,703	32,514	*1,189*	63
Inverness-Richmond	15,775	5,068	10,584	5,516	76
Lunenburg	17,109	4,941	8,829	3,888	78
Pictou	21,683	5,469	10,930	5,461	80
Queens-Shelburne	13,223	2,813	6,501	3,688	82
Totals	281,828	91,758	149,148	57,390	
% of total electors on list	75%	25%	40%	15%	
% of vote cast	100%	33%	53%	20%	

Elected Members' vote expressed as a percentage of non-voters—163%

Total Electors—373,585

PRINCE EDWARD ISLAND 1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Kings	9,626	1,452	5,079	3,627	87
Prince	17,140	2,049	8,007	5,958	89
Queens	20,819	4,686	10,655	5,969	82
Totals	47,585	8,187	23,741	15,554	
% of total electors on list	86%	14%	42%		
% of vote cast	100%	17%	50%		

Elected Members' vote expressed as a percentage of non-voters—291%

Total Electors on List —55,752

Election Results, 1949 and 1953

NEWFOUNDLAND 1949

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Bonavista-Twillingate	11,209	13,202	9,744	*3,458*	46
Burin-Burgeo	13,691	8,179	12,590	4,411	63
Grand Falls-White Bay	14,247	13,345	12,301	*1,044*	52
Humber-St. George's	13,461	10,222	11,930	1,708	57
St. John's East	18,170	9,724	9,912	188	65
St. John's West	20,291	9,240	10,344	1,104	69
Trinity-Conception	14,121	13,337	10,929	*2,408*	51
Totals	105,190	77,249	77,750	501	
% of total electors on list	58%	42%	42%		
% of vote cast	100%	73%	73%		

Elected Members' vote expressed as a percentage of non-voters—100%

Total Electors—182,439

1949

Province	Total Vote	Non-Vote	Winner's Vote	Total Electors
British Columbia	464,785	208,997	217,423	673,782
% of total electors on list	69%	31%	32%	
% of vote cast	100%	45%	47%	
Elected Member's vote expressed as a percentage of non-voters	104%	Winner's vote greater than non-vote by 8,426		
Alberta	341,222	151,006	151,041	492,228
% of total electors on list	69%	31%	31%	
% of vote cast	100%	44%	44%	
Elected Member's vote expressed as a percentage of non-voters	100%	Winner's vote greater than non-vote by 35		
Saskatchewan	375,471	97,413	178,156	472,884
% of total electors on list	79%	21%	38%	
% of vote cast	100%	26%	47%	
Elected Member's vote expressed as a percentage of non-voters	184%	Winner's vote greater than non-vote by 80,743		
Manitoba	324,079	127,803	161,545	451,882
% of total electors on list	72%	28%	36%	
% of vote cast	100%	39%	50%	
Elected Member's vote expressed as a percentage of non-voters	126%	Winner's vote greater than non-vote by 33,742		

Election Results, 1949 and 1953

1949

Province	Total Vote	Non-Vote	Winner's Vote	Total Electors
Ontario	1,508,251	462,736	754,758	1,970,987
% of total electors on list	77%	23%	38%	
% of vote cast	100%	31%	50%	
Elected Member's vote expressed as a percentage of non-voters	163%	Winner's vote greater than non-vote by 282,022		
Toronto	344,202	141,837	146,182	486,039
% of total electors on list	71%	29%	30%	
% of vote cast	100%	41%	43%	
Elected Member's vote expressed as a percentage of non-voters	103%	Winner's vote greater than non-vote by 4,345		
Yorks	189,871	71,221	75,774	261,092
% of total electors on list	73%	27%	29%	
% of vote cast	100%	37%	40%	
Elected Member's vote expressed as a percentage of non-voters	106%	Winner's vote greater than non-vote by 4,553		
Rural Quebec	1,069,758	297,394	619,834	1,367,152
% of total electors on list	78%	22%	45%	
% of vote cast	100%	28%	58%	
Elected Member's vote expressed as a percentage of non-voters	208%	Winner's vote greater than non-vote by 322,440		
Montreal	540,752	269,248	342,775	810,000
% of total electors on list	67%	33%	42%	
% of vote cast	100%	49%	63%	
Elected Member's vote expressed as a percentage of non-voters	128%	Winner's vote greater than non-vote by 73,527		
New Brunswick	225,877	60,846	123,897	286,723
% of total electors on list	79%	21%	42%	
% of vote cast	100%	27%	49%	
Elected Member's vote expressed as a percentage of non-voters	204%	Winner's vote greater than non-vote by 63,051		

Election Results, 1949 and 1953

1949

Province	Total Vote	Non-Vote	Winner's Vote	Total Electors
Nova Scotia	281,828	91,757	116,634	373,585
% of total electors on list	75%	25%	40%	
% of vote cast	100%	33%	53%	
Elected Member's vote expressed as a percentage of non-voters	163%	Winner's vote greater than non-vote by 57,390		
Prince Edward Island	47,574	8,198	23,741	55,772
% of total electors on list	86%	15%	42%	
% of vote cast	100%	17%	50%	
Elected Member's vote expressed as a percentage of non-voters	291%	Winner's vote greater than non-vote by 15,554		
Newfoundland	105,190	77,249	77,750	182,439
% of total electors on list	58%	42%	42%	
% of vote cast	100%	73%	73%	
Elected Member's vote expressed as a percentage of non-voters	100%	Winner's vote greater than non-vote by 501		

BRITISH COLUMBIA 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Burnaby-Coquitlam	19,226	10,453	7,232	*3,221*	65
Burnaby-Richmond	20,528	11,256	7,021	*4,235*	65
Cariboo	15,306	10,824	5,562	*5,262*	58
Coast-Capilano	29,676	14,501	13,614	*887*	67
Comox-Alberni	17,639	12,105	6,115	*5,990*	59
Esquimalt-Saanich	20,670	10,237	9,537	*700*	67
Fraser Valley	23,143	12,546	9,618	*2,928*	64
Kamloops	16,229	8,946	7,578	*1,368*	64
Kootenay East	13,097	5,578	4,988	*590*	69
Kootenay West	18,242	8,728	8,990	262	69
Nanaimo	18,857	8,726	7,272	*1,454*	69
New Westminster	34,742	17,369	10,770	*6,599*	67
Okanagan Boundary	20,682	8,880	8,086	*794*	70
Okanagan-Revelstoke	11,752	4,872	3,537	*1,335*	70
Skeena	12,237	8,355	5,332	*3,023*	60
Victoria	33,695	15,926	13,696	*2,230*	69
Total without Vancouver	325,451	169,302	128,948	*40,354*	
Vancouver-Burrard	26,000	17,874	9,035	*8,839*	60
Vancouver Centre	20,226	15,037	8,259	*6,778*	58
Vancouver East	20,151	14,063	10,192	*3,871*	59
Vancouver-Kingsway	22,007	13,446	10,162	*3,284*	62
Vancouver-Quadra	29,138	14,229	12,769	*1,460*	67
Vancouver South	28,575	15,050	10,459	*4,591*	66
Vancouver Totals	146,097	89,699	60,876	*28,823*	
Totals B.C.	471,548	259,001	189,824	*69,177*	

Total Electors in B.C.—730,549
Total Electors in Vancouver—235,796

B.C. % of electors on list	65%	35%	26%
% of vote cast	100%	55%	40%

Elected Member's vote as % of non-voters—73%

Election Results, 1949 and 1953

ALBERTA 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Acadia	17,315	8,842	7,956	*886*	*66*
Athabaska	15,173	10,233	7,242	*2,991*	*60*
Battle River-Camrose	18,240	12,422	9,238	*3,184*	*60*
Bow River	15,397	8,575	7,320	*1,255*	*64*
Calgary North	29,480	17,968	11,002	*6,966*	*62*
Calgary South	29,829	19,665	12,491	*7,174*	*61*
Edmonton East	21,744	17,519	8,802	*8,717*	*55*
Edmonton-Strathcona	23,845	15,348	8,901	*6,447*	*61*
Edmonton West	26,267	18,914	11,301	*7,613*	*58*
Jasper-Edson	18,806	11,319	7,369	*3,950*	*63*
Lethbridge	17,216	9,240	9,757	517	65
Macleod	17,949	8,961	8,685	*276*	67
Medicine Hat	19,485	8,869	9,420	551	68
Peace River	20,696	11,061	10,152	*909*	65
Red Deer	16,784	9,853	8,792	*1,061*	63
Vegreville	17,078	8,010	8,023	13	64
Wetaskiwin	14,812	10,897	6,920	*3,977*	58
Totals	340,116	207,696	153,371	*54,325*	
% of total electors on list	62%	38%	28%	*10%*	
% of vote cast	100%	61%	45%	*16%*	

Elected Members' vote expressed as a percentage of non-voters—74%

Total Electors on List—547,812

SASKATCHEWAN 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Assiniboia	20,276	6,016	10,496	4,480	
Humboldt-Melfort	20,901	7,205	9,512	2,307	
Kindersley	20,467	6,012	8,672	2,660	
Mackenzie	18,297	7,032	8,021	989	
Meadow Lake	11,623	6,019	5,080	*939*	
Melville	20,041	4,049	10,024	5,975	
Moose Jaw-Lake Centre	23,729	10,550	12,436	1,886	
Moose Mountain	18,316	4,574	8,697	4,123	
Prince Albert	22,779	5,869	10,038	4,169	
Qu'Appelle	18,174	4,646	6,988	2,342	
Regina City	31,832	12,321	14,558	2,237	
Rosetown-Biggar	20,544	6,097	11,404	5,407	
Rosthern	18,939	6,994	8,616	1,622	
Saskatoon	24,999	13,821	12,056	*1,765*	
Swift Current-Maple Creek	23,330	8,145	10,088	1,943	
The Battlefords	18,748	8,808	8,922	214	
Yorkton	21,088	8,291	11,027	2,736	
Totals	354,083	126,449	166,635	40,386	
% of total electors on list	74%	26%	34%	8%	
% of vote cast	100%	36%	47%	11%	

Elected Members' vote expressed as a percentage of non-voters—132%

Total Electors on List—480,532

MANITOBA 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Brandon-Souris	23,971	11,005	13,915	2,910	68
Churchill	12,334	9,410	4,984	*4,426*	61
Dauphin	15,891	8,281	6,839	*1,442*	64
Lisgar	14,457	11,839	6,531	*5,308*	55
Marquette	18,085	10,625	9,900	*725*	63
Portage-Neepawa	17,611	11,109	8,858	*2,251*	61
Provencher	10,062	10,494	6,632	*3,862*	49
St. Boniface	18,613	12,566	8,051	*4,515*	60
Selkirk	14,273	10,736	6,265	*4,471*	57
Springfield	12,366	9,444	6,240	*3,204*	56
Winnipeg North	30,490	21,147	15,005	*6,142*	57
Winnipeg North Centre	23,614	21,689	12,713	*8,976*	52
Winnipeg South	31,549	20,969	12,597	*8,372*	60
Winnipeg South Centre	29,251	24,095	12,489	*11,606*	55
Totals	272,567	193,409	131,019	*62,390*	
% of total electors on list	59%	41%	28%	*13%*	
% of vote cast	100	71%	48%	*23%*	

Elected Members' vote expressed as a percentage of non-voters—69%

Total Electors on List — 465,976

ONTARIO 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Algoma East	11,371	5,490	7,494	2,004	64
Algoma West	20,459	10,439	10,454	15	66
Brantford	21,543	9,271	9,567	296	70
Brant-Haldimand	20,872	6,952	10,166	3,214	75
Bruce	13,940	3,795	7,132	3,337	78
Carleton	36,450	11,922	20,137	8,215	75
Cochrane	14,309	5,803	6,667	864	71
Dufferin-Simcoe	16,331	6,574	9,248	2,674	71
Durham	14,461	4,881	6,684	1,803	75
Elgin	23,225	9,379	10,743	1,364	71
Essex East	29,701	17,945	19,946	2,001	62
Essex South	18,040	8,284	10,620	2,336	69
Essex West	28,657	25,801	15,199	*10,602*	52
Fort William	19,787	7,516	10,402	2,886	72
Glengarry-Prescott	19,294	4,951	7,800	2,849	79
Grenville-Dundas	13,808	7,352	8,805	1,453	61
Grey-Bruce	15,515	6,704	9,236	2,532	70
Grey North	17,418	5,925	8,368	2,443	74
Halton	20,465	8,437	9,914	1,477	71
Hamilton East	25,701	17,606	11,622	*5,984*	59
Hamilton South	30,149	17,648	12,296	*5,352*	63
Hamilton West	27,438	17,106	13,018	*4,088*	61
Hastings-Frontenac	18,721	7,812	11,084	3,272	73
Hastings South	25,993	7,767	13,710	5,403	77
Huron	21,137	4,996	11,045	6,049	81
Kenora-Rainy River	19,982	8,924	11,380	2,456	69
Kent	26,028	11,031	15,532	4,231	
Kingston	27,200	7,149	14,663	7,514	79
Lambton-Kent	16,680	6,422	9,432	3,010	
Lambton West	22,059	11,464	11,664	200	66
Lanark	15,796	6,311	10,029	3,718	
Leeds	19,833	5,018	10,097	5,079	
Lincoln	36,887	20,592	16,113	*4,479*	63
London	31,533	16,663	15,254	*1,409*	66
Middlesex East	24,116	12,175	12,127	*48*	67
Middlesex West	14,837	4,988	8,645	3,657	75
Niagara Falls	22,436	16,491	13,400	*3,091*	58
Nickel Belt	15,062	7,734	8,821	1,087	66

ONTARIO 1953—*Concluded*

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Nipissing	19,598	7,593	12,416	4,823	73
Norfolk	16,036	7,618	8,475	857	69
Northumberland	17,660	3,948	9,595	5,647	82
Ontario	29,684	20,465	12,482	*7,983*	59
Ottawa East	26,583	9,185	19,863	10,678	74
Ottawa West	35,900	13,338	20,933	7,595	73
Oxford	25,347	10,260	12,693	2,433	71
Parry Sound-Muskoka	21,982	9,688	10,940	1,252	69
Peel	25,310	13,511	13,487	*24*	56
Perth	23,872	8,842	12,958	4,116	
Peterborough	25,171	8,276	13,206	4,930	75
Port Arthur	24,475	10,859	12,272	1,413	69
Prince Edward-Lennox	12,527	6,604	6,726	122	65
Renfrew North	16,633	4,269	9,360	5,091	79
Renfrew South	15,404	3,789	8,627	4,838	80
Russell	24,115	9,058	15,969	6,911	73
Simcoe East	19,906	7,596	9,099	1,503	72
Simcoe North	16,112	6,865	8,316	1,451	70
Stormont	20,747	6,840	13,503	6,663	76
Sudbury	21,305	10,311	12,193	1,882	68
Timiskaming	18,702	6,961	7,497	536	73
Timmins	13,944	9,159	5,541	*3,618*	61
Victoria	21,675	7,253	12,634	5,381	75
Waterloo North	32,215	18,240	16,139	*2,101*	64
Waterloo South	21,681	8,693	9,058	365	71
Welland	27,913	12,467	15,411	2,944	69
Wellington-Huron	14,318	4,406	7,198	2,792	78
Wellington South	20,428	6,766	9,275	2,509	75
Wentworth	22,091	12,566	10,476	*2,090*	64
	1,448,568	641,014	764,316	123,302	

RURAL ONTARIO—1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
% of total electors on list	69%	31%	37%	6%	69%
% of vote cast	100%	44%	53%	11%	

Elected Members' vote expressed as a % of non-voters—119%

Total Electors on List—2,089,582

TORONTO 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Broadview	20,983	18,153	10,403	*7,750*	54
Danforth	30,708	21,028	12,595	*8,433*	59
Davenport	21,687	16,348	8,919	*7,429*	57
Eglinton	30,881	20,391	17,354	*3,037*	60
Greenwood	22,050	16,305	9,702	*6,603*	59
High Park	22,977	15,304	10,032	*5,272*	60
Parkdale	21,732	15,131	10,391	*4,740*	59
Rosedale	21,132	14,999	8,702	*6,297*	57
St. Paul's	23,479	19,152	9,738	*9,414*	54
Spadina	27,258	24,979	15,496	*9,483*	52
Trinity	19,677	15,105	8,056	*7,049*	56
Totals	262,555	196,895	121,388	*75,507*	
Average	23,869	17,991	11,035	*6,864*	57
% of total electors on list	57%	43%	26%	*17%*	
% of vote cast	100%	75%	46%	*29%*	

Elected Members' vote expressed as a percentage of non-voters—62%

Total Electors on List—459,450

YORKS 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
York Centre	31,526	22,262	13,903	*8,359*	58
York East	26,070	18,674	11,082	*7,592*	58
York-Humber	27,171	17,688	11,157	*6,531*	61
York North	22,459	11,047	10,988	*59*	67
York-Scarborough	33,874	21,937	14,884	*7,053*	60
York South	33,907	28,242	12,216	*16,026*	54
York West	29,476	19.137	12,228	*6,909*	61
Totals	204,483	138,987	86,458	*52,429*	
Average	29,212	19.895	12,351	*7,506*	60
% of total electors on list	60%	40%	25%	*15%*	
% of vote cast	100%	68%	42%	*26%*	
Elected Members' vote as a % of non-voters—62%					
Total Electors on List—343,470					
Total—Toronto and Yorks	467,038	336,882	207,846	*129,046*	

QUEBEC 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Argenteuil–Deux Montagnes	18,861	9,124	13,251	4,127	68
Beauce	22,732	4,557	13,016	8,459	84
Beauharnois-Salaberry	18,764	8,908	14,269	6,361	68
Bellechasse	11,990	4,290	7,124	2,834	74
Berthier-Maskinonge-Delanaudiere	18,862	5,467	10,711	7,244	77
Bonaventure	15,643	4,820	9,177	4,357	76
Brome-Missisquoi	14,782	7,165	9,362	2,197	67
Chambly-Rouville	14,840	6,080	9,824	3,744	71
Champlain	22,744	5,876	14,420	8,544	79
Chapleau	21,080	9,245	10,495	1,250	70
Charlevoix	18,001	6,467	10,742	4,275	74
Chateauguay-Huntingdon-Laprairie	18,707	5,761	11,104	5,343	76
Chicoutimi	24,447	5,067	16,040	10,973	83
Compton-Frontenac	17,057	4,432	10,275	2,833	79
Dorchester	15,418	3,207	7,762	4,555	83
Drummond-Arthabaska	29,195	11,417	15,870	4,453	69
Gaspe	23,089	6,778	12,058	5,280	77
Gatineau	16,353	6,840	10,759	3,919	70
Hull	28,898	8,824	21,685	12,861	76
Iles-de-la-Madeleine	4,310	583	2,337	1,754	88
Joliette-L'Assomption-Montcalm	22,689	20,149	20,060	*89*	53
Kamouraska	11,828	6,459	6,065	*394*	65
Labelle	18,535	3,802	9,569	5,767	83
Lake St. John	15,453	2,337	8,697	6,360	87
Lapointe	22,169	5,853	11,854	6,001	79
Levis	19,276	4,843	13,897	9,054	80
Longueuil	24,694	14,264	16,688	2,424	64
Lotbiniere	15,926	2,664	9,047	6,383	85
Matapedia-Matane	23,454	6,132	12,689	6,557	80
Megantic	22,371	6,855	13,948	7,093	76
Montmagny-L'Islet	14,997	5,153	10,121	4,968	74
Nicolet-Yamaska	19,276	5,181	9,483	4,302	79
Pontiac-Temiscamingue	15,414	6,025	9,041	3,016	72
Portneuf	18,180	6,773	12,701	5,928	73
Quebec East	32,974	14,530	25,945	11,415	69
Quebec South	25,311	10,648	18,951	8,303	70
Quebec-Montmorency	30,301	9,492	18,029	8,537	76
Richelieu-Vercheres	18,933	9,311	15,406	6,095	67

QUEBEC—*Concluded*

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Richmond-Wolfe	20,393	7,721	13,006	5,285	72
Rimouski	23,901	7,746	8,554	808	76
Roberval	17,118	3,825	8,641	4,816	82
St. Hyacinthe-Bagot			ACCLAMATION		
St. Jean-Iberville-Napierville	18,327	9,502	16,088	6,586	66
St. Maurice-Lafleche	28,999	9,572	18,662	9,090	75
Saguenay	15,279	8,056	7,815	*241*	66
Shefford	22,627	7,403	15,408	8,005	75
Sherbrooke	23,900	10,669	15,815	5,146	69
Stanstead	16,770	5,593	10,034	4,441	75
Temiscouata	18,451	8,737	10,675	1,938	68
Terrebonne			ACCLAMATION		
Trois Rivieres	29,461	4,619	15,556	10,937	86
Villeneuve	22,956	11,757	14,844	3,087	66
Quebec West	23,020	8,202	8,464	262	74
Vaudreuil-Soulanges	10,707	6,022	8,463	2,441	64
Totals	1,043,664	374,803	644,497	269,694	
% of total electors on list	74%	26%	45%	19%	
% of vote cast	100%	28%	62%	40%	

Elected Members' vote expressed as a percentage of non-voters—171%

Total Electors on List—1,418,467

MONTREAL 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Cartier	16,246	10,022	12,493	2,471	62
Dollard	23,228	14,678	14,965	287	61
Hochelaga	25,406	17,674	19,367	1,693	59
Jacques Cartier-Lasalle	33,098	17,095	19,678	2,583	66
Lafontaine	20,426	14,968	15,285	317	58
Laurier	18,044	13,456	12,659	*797*	57
Laval	27,288	17,036	19,337	2,301	62
Maisonneuve-Rosemont	29,250	19,139	12,266	*6,873*	61
Mercier	28,089	19,314	17,339	*1,975*	57
Mount Royal	27,870	24,197	17,183	*7,014*	54
Notre-Dame-de-Grace	33,441	20,749	16,690	*4,059*	63
Outremont-Saint Jean	16,774	16,615	11,536	*5,079*	50
Papineau	26,873	19,276	10,387	*8,889*	58
St. Ann	18,530	7,921	15,519	7,598	70
St. Antoine-Westmount	25,277	16,720	14,446	*2,274*	60
St. Denis	24,259	18,697	17,359	*1,338*	57
St. Henri	23,654	14,338	15,046	708	62
St. Jacques	23,432	24,108	15,443	*8,665*	49
St. Lawrence-St. George	14,602	17,408	9,082	*8,326*	46
St. Mary	22,115	16,933	16,288	*645*	57
Verdun	29,606	18,541	20,281	1,740	59
Totals	507,508	358,885	322,649	*36,236*	
% of total electors on list	59%	41%	37%	4%	
% of vote cast	100%	71%	64%	7%	

Elected Members' vote expressed as a percentage of non-voters—84%

Total Electors on List—866,393

Election Results, 1949 and 1953

NEW BRUNSWICK 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Charlotte	11,751	3,426	6,155	2,729	76
Gloucester	23,145	4,306	13,330	9,024	84
Kent	10,642	2,807	7,039	4,242	79
Northumberland	16,531	5,669	10,616	4,947	74
Restigouche-Madawaska	26,433	7,601	13,266	5,665	72
Royal	16,691	5,162	8,725	3,563	76
Saint John-Albert	38,160	14,947	18,881	3,934	72
Victoria-Carleton	17,685	4,935	8,945	4,010	78
Westmorland	37,107	9,793	20,120	10,417	79
York-Sunbury	24,454	6,141	12,888	6,747	80
Totals	222,599	64,787	120,055	55,268	
% of total electors on list	78%	22%	42%	20%	
% of vote cast	100%	29%	54%	25%	

Elected Members' vote expressed as a percentage of non-voters—186%

Total Electors on List—287,386

NOVA SCOTIA 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Antigonish-Guysborough	10,299	4,862	6,884	2,022	68
Cape Breton North and Victoria	15,754	7,764	9,536	1,772	67
Cape Breton South	30,642	14,919	14,971	52	67
Colchester-Hants	25,867	6,951	12,271	5,320	79
Cumberland	17,123	6,718	8,860	2,142	72
Digby-Annapolis-Kings	31,809	6,642	16,422	9,780	83
Halifax	62,095	36,092	34,376	*1,716*	63
Inverness-Richmond	14,335	5,814	9,033	3,219	67
Pictou	20,996	6,189	10,628	4,439	74
Queens-Lunenburg	23,120	6,260	13,053	6,793	79
Shelburne-Yarmouth-Clare	18,948	7,326	11,504	4,178	72
Totals	270,988	109,537	147,538	38,001	
% of total electors on list	71%	29%	38%	11%	
% of vote cast	100%	40%	54%	14%	

Elected Members' vote expressed as a percentage of non-voters — 133%

Total Electors on List — 380,525

PRINCE EDWARD ISLAND 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Kings	9,123	1,214	4,750	3,546	89
Prince	16,765	2,610	8,782	6,172	87
Queens (½)	20,184	5,101	10,219	5,118	80
Totals	46,072	8,915	23,741	14,836	
% of total electors on list	84%	16%	43%	27%	84
% of vote cast	100%	19%	51%	32%	

Elected Members' vote expressed as a % of non-voters—269%

Total Electors on List—54,987

Election Results, 1949 and 1953

NEWFOUNDLAND 1953

Constituency	Total Vote	Non-Vote	Winner's Vote	Difference	% Cast
Bonavista-Twillingate	12,636	11,511	10,072	*1,439*	52
Burin-Burgeo	12,498	8,945	11,017	2,072	58
Grand Falls-White Bay-Labrador	18,637	14,812	13,653	*1,159*	56
Humber-St. George's	16,142	10,935	12,529	1,594	60
St. John's East	19,460	10,359	8,310	*2,049*	65
St. John's West	18,990	11,600	9,965	*1,635*	62
Trinity-Conception	12,221	15,046	8,814	*6,232*	45
Totals	110,584	83,208	74,360	*8,848*	57
% of total electors on list	57%	43%	38%	*5%*	
% of vote cast	100%	75%	67%	*8%*	

Elected Members' vote expressed as a percentage of non-voters — 89%

Total Electors on List — 193,792

1953

Province	Total Vote	Non-Vote	Winner's Vote	Total Electors
British Columbia	471,548	259,001	189,824	730,549
% of total electors on list	65%	35%	26%	
% of vote cast	100%	55%	40%	
Elected Member's vote expressed as a % of non-voters	73%	Non-vote greater than winner's vote by *69,177*		
Alberta	340,116	207,696	153,371	547,812
% of total electors on list	62%	38%	28%	
% of vote cast	100%	61%	45%	
Elected Member's vote as expressed as a % of non-voters	74%	Non-vote greater than winner's vote by *54,325*		
Saskatchewan	354,083	126,449	166,635	480,532
% of total electors on list	74%	26%	34%	
% of vote cast	100%	36%	47%	
Elected Member's vote expressed as a % of non-voters	132%	Winner's vote greater than non-vote by 40,386		
Manitoba	272,567	193,409	131,019	465,976
% of total electors on list	59%	41%	28%	
% of vote cast	100%	71%	48%	
Elected Member's vote expressed as a % of non-voters	69%	Non-vote greater than winner's vote by *62,390*		

Election Results, 1949 and 1953

1953

Province	Total Vote	Non-Vote	Winner's Vote	Total Electors
Ontario	1,448,568	641,014	764,316	2,089,582
% of total electors on list	69%	31%	37%	
% of vote cast	100%	44%	53%	
Elected Member's vote as expressed as a % of non-voters	119%	Winner's vote greater than non-vote by 123,302		
Toronto	262,555	196,895	121,388	459,450
% of total electors on list	57%	43%	26%	
% of vote cast	100%	75%	46%	
Elected Member's vote expressed as a % of non-voters	62%	Non-vote greater than winner's vote by *75,507*		
Yorks	204,483	138,987	86,458	343,470
% of total electors on list	60%	40%	25%	
% of vote cast	100%	68%	42%	
Elected Member's vote expressed as a % of non-voters	62%	Non-vote greater than winner's vote by *52,529*		
Quebec	1,043,664	374,803	644,497	1,418,467
% of total electors on list	74%	26%	45%	
% of vote cast	100%	28%	62%	
Elected Member's vote expressed as a % of non-voters	171%	Winner's vote greater than non-vote by 269,694		
Montreal	507,508	358,885	322,649	866,393
% of total electors on list	59%	41%	37%	
% of vote cast	100%	71%	64%	
Elected Member's vote expressed as a % of non-voters	84%	Non-vote greater than winner's vote by *36,236*		
New Brunswick	222,599	64,787	120,055	287,386
% of total electors on list	78%	22%	42%	
% of vote cast	100%	29%	54%	
Elected Member's vote expressed as a % of non-voters	186%	Winner's vote greater than non-vote by 55,268		
Nova Scotia	270,988	109,537	147,538	380,525
% of total electors on list	71%	29%	38%	
% of vote cast	100%	40%	54%	
Elected Member's vote expressed as a % of non-voters	133%	Winner's vote greater than non-vote by 38,001		

Election Results, 1949 and 1953

1953

Province	Total Vote	Non-Vote	Winner's Vote	Total Electors
Prince Edward Island	46,072	8,915	23,741	54,987
% of total electors on list	84%	16%	43%	
% of vote cast	100%	19%	51%	
Elected Member's vote expressed as a % of non-voters	269%	Winner's vote greater than non-vote by 14,836		
Newfoundland	110,584	83,208	74,360	193,792
% of total electors on list	57%	43%	38%	
% of vote cast	100%	75%	67%	
Elected Member's vote expressed as a % of non-voters	89%	Non-vote greater than winner's vote by *8,848*		

HOUSE OF COMMONS

Thursday, January 28, 1954

The house met at 2.30 p.m.

THE PRIME MINISTER

REQUEST FOR STATEMENT AS TO PROPOSED TRIP

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, having regard to the fact that this is the time when such a statement would be made I wonder if, in view of the statement that has been made to the press, the Prime Minister would feel this was the appropriate time to inform the house regarding the details of his proposed trip and other circumstances connected therewith. It might guide us in our discussion in the debate on external affairs tomorrow, in regard to our comments about any of these countries he will be visiting during the course of his trip.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, if it is the pleasure of the house that I should make such a statement I would be glad to do so tomorrow afternoon, when I will give some of the details about what I hope will be the results of that trip and other information that may be of interest to the hon. members. I would have to have the unanimous consent of the house and if I can count upon that I will be glad to make a statement at the opening of the house tomorrow afternoon.

Mr. Drew: I feel sure there would be unanimous consent. My question was directed to the Prime Minister in view of the fact I have just learned of the statement which was given to the press earlier today.

MISCELLANEOUS PRIVATE BILLS

FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. John Hunter (Parkdale) presented the first and second reports of the standing committee on miscellaneous private bills, and moved that the first report be concurred in.

Motion agreed to.

CURRENCY, MINT AND EXCHANGE FUND ACT

AMENDMENT TO PERMIT MINTING AND MARKETING OF GOLD COINS

Mr. Rodney Adamson (York West) moved for leave to introduce Bill No. 173, to amend the Currency, Mint and Exchange Fund Act.

Mr. Knowles: Explain.

Mr. Adamson: Mr. Speaker, the purpose of this bill is to allow newly minted Canadian gold to be minted in Canada into coins designated as to weight and fineness only, and during such time as a fixed parity in terms of gold is not being maintained for the Canadian dollar. It provides for the free marketing of such coins and permits them to be held, sold, imported or exported by any person.

Motion agreed to and bill read the first time.

QUESTIONS

NATO AIR TRAINING PLAN

Mr. Dinsdale:

1. How many (a) pilots; (b) navigators, have been trained in Canada to date under the NATO air training plan?

2. How many of these (a) pilots; (b) navigators, come from the respective participating countries, (i) Canada; (ii) the United Kingdom; (iii) France; (iv) Italy; (v) Belgium; (vi) West Germany?

3. What is the cease training (washout) rate among (a) pilots; (b) navigators, for each of the groups referred to above?

Mr. Blanchette:

1. Up to November 30, 1953, 910 pilots and 1,567 navigators were trained in Canada under the NATO air training plan.

2. Aircrew of the Royal Canadian Air Force trained in Canada are not trained under the NATO air training plan. West Germany is not a member of NATO. The following countries have had aircrew in the following numbers trained in Canada under the NATO air training plan:

	Pilot	Navs.
U.K.	698	1,098
France	125	345
Italy	14	21
Belgium	26	74
Holland	30	..
Norway	12	5
Denmark	5	24

3. It is not the practice in either the United Kingdom, the United States or Canada to make public cease training rates for aircrew.

WHEAT BOARD ACT—FARM UNION DUES

Mr. Diefenbaker:

1. How many resolutions and letters have been received from each of the provinces of Manitoba, Saskatchewan and Alberta, since the 1st day of

Questions

July, 1953, requesting that an amendment be made to the Canadian Wheat Board Act, providing for the voluntary deduction from wheat board payments of fees or dues of the provincial farmers unions?

2. Has consideration been given by the government to the introduction of such an amendment?

Mr. Dickey:

1. Saskatchewan, 79; Manitoba, 24; Alberta, 40.

2. No.

WESTERN SOCIETY FOR PHYSICAL REHABILITATION

Mr. MacDougall:

1. How much has the federal government contributed in the province of British Columbia towards the western society for physical rehabilitation in Vancouver, since the beginning of the national health program?

2. What services do the western society for physical rehabilitation provide with the assistance of federal funds?

Mr. Robertson:

1. $173,040.27.

2. With the assistance of federal funds, the western society for physical rehabilitation was given a grant for the construction of 40 additional chronic beds and floor area for an outpatient department, and for physiotherapy and occupational therapy facilities. Services were extended for the training and rehabilitation of poliomyelitis patients and to cerebral palsied children under the administration of the cerebral palsy association of British Columbia which is located on the premises of the western society for physical rehabilitation.

HOUSING—LAND ASSEMBLY

Mr. Breton:

1. How many agreements have been entered into between the federal government and the provinces in connection with those provisions of the National Housing Act, as amended, which provide that the federal government may enter into agreement with the provinces for the acquisition of land and land assembly projects for housing purposes and the building of houses for sale or rental, and under which the Central Mortgage and Housing Corporation's share is 75 per cent of the cost of the projects?

2. What are the names of the municipalities which have benefited under these projects, and in each case what have been the amounts of such benefits?

Mr. Bourget:

1. Fifty-three agreements had been entered into under section 46 of the act at December 31, 1953, jointly with the provinces or agencies thereof to provide for either the acquisition of housing lands or the construction of houses, or both.

[Mr. Diefenbaker.]

2. Projects authorized by the above agreements in many cases are operated so as to recover for the partnership of governments the full amount of their capital costs. In such cases the principal benefit to the municipality is the addition obtained to its supply of land available for private house building, or to its stock of houses. The following are the full recovery projects authorized to the end of 1953, showing number of residential lots and houses added to municipalities, by provinces:

	Building Lots	Housing Units
Newfoundland		
Corner Brook	201	—
St. John's	594	100
Nova Scotia		
Amherst	—	10
Trenton	—	10
Ontario		
Arnprior	43	—
Amherstburg	31	—
Atikokan	1140	—
Brockville	385	40
Cobourg	1015	—
Fort William	—	122
Goderich	—	26
Guelph	203	70
Hamilton	—	496
Kingston	615	—
Kitchener (approx.)	1000	—
London (city)	825	—
London (Twp.) (approx.)	1500	—
Midland	42	—
North Bay	56	54
Ottawa	683	—
Owen Sound	52	—
Peterborough (approx.)	2170	—
Prescott	—	10
Sarnia	1351	—
St. Thomas	206	40
Stamford Twp.	57	—
Stratford	122	40
Trenton	195	25
Windsor	—	325
British Columbia		
Kimberley	50	—
Prince Rupert	—	50
Trail	269	—

In other cases, the agreements provide for rental housing to be offered to families of low income at rents according to their ability to pay, and these agreements provide for maximum annual deficits. The benefit to the municipality over and above the additional housing made available is in such cases a contribution to the lowering of the rents; of that contribution 75 per cent is provided by the federal government under the act. The following table shows the authorized benefits of this type for municipalities, by provinces, as at December 31, 1953:

—	Authorized No. of rental dwellings	Estimated average full recovery rent per dwelling	Agreed average monthly rent per dwelling	Agreed potential annual deficit	
				Total	Federal share
		$	$	$	$
Newfoundland—					
St. John's	140	55	30	42,000	31,500
(2 projects)	152	58	35	41,952	31,464
Nova Scotia—					
Halifax	161	66	40	50,232	37,674
New Brunswick—					
Saint John	88	58	40	19,008	14,256
(2 projects)	200	60	44	38,400	28,800
Ontario—					
Arnprior	25	66	55	3,300	2,475
Amherstburg	25	60	50	3,000	2,250
Dunnville	25	65	55	3,000	2,250
Fort Erie	28	65	55	3,360	2,520
Galt	50	62	52	6,000	4,500
Goderich	25	63	53	3,000	2,250
Lindsay	20	55	46	2,160	1,620
Midland	20	58	52	1,440	1,080
Owen Sound	40	63	55	3,840	2,880
Port Arthur	40	69	57	5,760	4,320
Sault Ste. Marie	100	67	57	12,000	9,000
Smiths Falls	24	63	53	2,880	2,160
Stamford Twp.	70	56	47	7,560	5,670
Saskatchewan—					
Moose Jaw	75	62	40	19,800	14,850
Prince Albert	30	67	45	7,920	5,940
British Columbia—					
Vancouver	224	67	45	59,136	44,352

HOUSING—SLUM AREAS

Mr. Breton:

1. How many agreements have been entered into between the federal government and the provinces, in connection with those provisions of the National Housing Act, 1944-45, which provide that the federal government may grant subsidies of as much as 50 per cent of the cost of projects to municipalities wishing to modernize and rebuild slum areas, since the coming into force of the act?

2. What are the names of the municipalities which have availed themselves of these agreements, and in each case, what are the amounts of the subsidies granted to the said municipalities thus benefiting under these agreements?

Mr. Bourget:

1. One agreement has been entered into by the minister under section 22 of the act.

2. Order in council P.C. 3090 of July, 1948, authorized an agreement providing for a grant of $1,150,000 to the city of Toronto toward the cost of acquisition and clearance of the northerly portion of the Regent Park housing site. The agreement is dated February 21, 1950. Order in council P.C. 1953-30/691 of May 7, 1953, authorized an amendment to the original agreement to provide for an additional $212,000, making total authorized grants to the city of Toronto for this purpose of $1,362,000.

QUESTION PASSED AS ORDER FOR RETURN

IMPORTS OF POTATOES, STARCH, ETC.

Mr. MacLean:

What has been the total amount of the imports into Canada for each of the last four years of the following items: (a) potato starch and potato flour (tariff item 39 (i)); (b) starch and all preparations having the quality of starch (tariff item

39 (ii)); (c) dextrine and combinations and preparation of starch and dextrine (tariff item 39 (c)); (d) combinations or preparations of starch and dextrine with admixture of foreign material (tariff item 39 (d)); (e) potatoes as defined in tariff item 83 (a); (f) dried or dehydrated potatoes as defined in tariff item 83 (b); (g) vegetables, pickled or preserved in salt, brine, oil or in any other manner including frozen french-fried potatoes and potato chips, as defined in tariff item 90 (b); (h) glucose as defined in tariff item 139; (i) vegetable glue as defined in tariff item 232 (b); (j) cereal or starch products as defined in tariff item 232 (e); (k) mucilage and adhesive paste as defined in tariff item 232 (f)?

Mr. Dickey: Return tabled.

IMMIGRATION

DEPORTATION OF TWO REFUGEES FROM YUGOSLAVIA

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to ask the Minister of Citizenship and Immigration if he is in a position to give the house some information with regard to the position and the fate of two persons who have been referred to in the press as refugees from Yugoslavia. I am not able to pronounce their names, but I told the minister that I should like to ask the question and I think he knows the cases to which I refer. Can he say whether it is established whether or not these men are genuine political refugees?

Hon. W. E. Harris (Minister of Citizenship and Immigration): The two gentlemen concerned are at present in detention quarters in Montreal. They are citizens of Yugoslavia. One is a married man of about 33 years of age; the other is a young man of about 22. The latter has a passport from the Yugoslavian government which, so far as we know, is valid. The former has no papers of any kind. They both left Yugoslavia last July, proceeded through Austria and Germany to a port on the North sea, stowed away on board ship and eventually were picked up in Toronto.

They were ordered deported as stowaways because that is our policy. We do not accept people who do not conform to our immigration regulations. In the course of examination they both said they had been informed in the refugee camp where they had spent a short time in Germany that there was an easy means of getting to Canada if you stowed away at a particular port on board ship. Consequently we are doing our best to prevent this from being a fact, and in particular we are deporting these people so that it may be learned that we do not accept immigrants in this way.

However, I know there are certain people who felt that in these two cases these persons might possibly suffer because of their actions should they be returned to their native country. I point out again that the one has a valid passport, so far as we know. I point out also that any deportation order we may issue would only mean that they would be taken in custody by the shipping line whence they came to Canada, and would in the normal course go back to the port in Germany from which they came. We do not make a practice of deporting people behind the iron curtain unless there are most unusual circumstances.

WATER POLLUTION

NORTH SASKATCHEWAN RIVER—REQUEST FOR FURTHER INFORMATION

On the orders of the day:

Mr. A. M. Campbell (The Battlefords): I should like to direct a question to the Minister of National Health and Welfare or his assistant. Has the minister received a report from the supervising engineer of the public health engineering division regarding the pollution of the North Saskatchewan river?

Hon. Paul Martin (Minister of National Health and Welfare): I have nothing further to add to what I said the other day. As soon as I have any further information I shall be glad to give it to the hon. gentleman.

NATIONAL DEFENCE

REPORTED THEFTS FROM CAMP WAINWRIGHT—REQUEST FOR STATEMENT

On the orders of the day:

Mr. Robert Fair (Battle River-Camrose): I should like to address a question to the Minister of National Defence. Is the minister in a position to make a statement with regard to reported thefts from Camp Wainwright, Alberta?

Hon. Brooke Claxton (Minister of National Defence): I received notice of this question after 1.30 p.m., and I have not yet received a report which I have asked for. I am therefore not in a position to make a statement. If I receive information I shall be glad to give it to the hon. gentleman.

HOUSING

LOW RENTAL HOUSING UNITS—LOWREN HOUSING COMPANY

On the orders of the day:

Mr. J. O. Gour (Russell): Can the Minister of Public Works tell the house whether it is proposed to finance additional low rental housing units for the Lowren Housing Company of Ottawa?

Hon. Robert H. Winters (Minister of Public Works): The hon. member previously gave me notice of this question, so I am able to answer it at the moment.

The president of this limited dividend company has approached Central Mortgage to finance another 316 units to be owned by Lowren Housing Company. The proposal is that 32 of these units will be for elderly persons. The remaining 284 units will be semi-detached houses and row housing in envelopes of four. The location of the new units will be on the easterly extension of Prince Albert and Queen Mary in the Overbrook area. Central Mortgage has already financed, under section 16, 158 units owned by the Lowren company and 100 units for a similar limited dividend company known as Bon Logis.

The city of Ottawa finances the 10 per cent equity requirement and waives the interest return on its investment. This, together with the 40-year amortization and 3¾ per cent interest rate under section 16 of the act, has the effect of creating rentals of $58 a month.

The proposal is now being examined, and if the plans and specifications for these units are satisfactory and the need clearly established, then I believe that financing will be available.

UNITED NATIONS

RECONVENING OF GENERAL ASSEMBLY

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Is the Secretary of State for External Affairs in a position to say now what the position of Canada has been in connection with the request of Madame Pandit for the reconvening of the general assembly of the United Nations? If so, has he any word to give the house as to whether a sufficient number will have assented in order to assure that the meeting will take place?

Hon. L. B. Pearson (Secretary of State for External Affairs): I am not in a position to give the final view of the government with regard to this request at this moment. It had been expected that we would have sent our reply to New York a day or so ago but there have been last-minute developments, which we have heard about through New Delhi, which may have some effect on the request for the meeting of the assembly. We are trying to get the matter cleared up.

I will, however, be in a position to give a reply tomorrow, because tomorrow is the last day on which replies are receivable. So far as the number of countries that have accepted the proposal for reconvening the assembly is concerned, I think 15 or 16 have accepted, whereas 31 are required before there can be a meeting.

WHEAT

DECLINE IN EXPORTS—REQUEST FOR STATEMENT AS TO EXPORTS

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I wish to ask this question of the Minister of Trade and Commerce. In view of the very rapid decline in wheat and flour exports during the past two months, will the minister make a statement on Canada's position and what is being done to meet the situation?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The decline in exports in December and January is perfectly normal. It happens every year. The reason is that the main outlet for Canada's wheat is closed by ice, and no way as yet has been found of breaking the ice and keeping navigation going during those months.

Just to illustrate the point, let us consider the crop year 1951-52, when there was a very active demand for wheat. Exports were as follows:

	Exports of Wheat (millions of bushels) 1951-52
August	19·1
September	19·1
October	27·6
November	35·5
December	16·8
January	16·0

In 1952-53, which we considered a record year for exports, with exports almost reaching the capacity of the ports, the figures were as follows:

	Exports of Wheat (millions of bushels) 1952-53
August	28·6
September	24·5
October	27·1
November	38·0
December	24·7
January	18·7

My hon. friend will appreciate the fact that the wheat board takes delivery of wheat at three principal marketing places, namely Fort William-Port Arthur, Vancouver and Churchill. To market the wheat from Fort William in the winter season it must be shipped by rail to Halifax or Saint John and transportation charges have to be added to the Fort William price, which puts sales from those ports somewhat out of line with those from Vancouver.

As far as Vancouver is concerned, the port is operating at capacity, and has been all

autumn. Shipments in December and January from Vancouver will be just as high as they have been in any month for the past 18. But as far as eastern shipment is concerned the normal pattern is being followed, namely that grain shipments from the eastern ports will be at low level as long as the St. Lawrence river is frozen.

Mr. Drew: With respect to the statement the Minister of Trade and Commerce has just made, in view of the statement by a member of the government yesterday regarding the danger of what was described as a possible fire sale of surpluses in the United States, will the minister inform the house whether any representations have been made to the government of the United States concerning that danger and, if so, what those representations were?

Mr. Howe (Port Arthur): It has been a rule of the department for several years that we do not discuss the marketing of wheat from the current crop. I think my hon. friend will appreciate the necessity for that. The wheat board is dealing with customers around the world, and anything I say here is reflected as being the views of the wheat board. Comments from me are not helpful to its operations.

Representations are being made to the government of the United States almost every week, just as representations are being made to us by the United States. I know of no plan for a fire sale in the United States. That country has a certain program that has dangers to Canada inherent in it if recklessly used, a program of giving assistance to foreign countries in the form of foodstuffs. We have reason to believe that it will be used with due regard to friendly countries who also have marketing problems. But, as I say, the situation is being watched carefully. Our people are in Washington and people from Washington are here frequently to discuss that particular problem, and we have every reason to believe that the United States will co-operate with Canada in order to see that the Canadian position is not damaged.

COFFEE

REQUEST FOR INQUIRY INTO INCREASED PRICE

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Justice arising out of a report in this morning's press that there will be an immediate and substantial increase in the price of coffee. Will the Minister of Justice direct that an inquiry be made into this matter, as President Eisenhower has directed in the United States?

[Mr. Howe (Port Arthur).]

Hon. Stuart S. Garson (Minister of Justice): I wish to thank my hon. friend for sending me notice of his question which, unfortunately, reached me only a moment or two before the house opened. However, I may say that the report which appeared in this morning's Montreal *Gazette,* and which is perhaps the one to which my hon. friend is referring, indicates pretty clearly on its face one of the main reasons for the increase in the price of coffee. Due to frost damage in the coffee plantations of Brazil the normal production of some 16 million bags of coffee in that country has been cut down to 14 million bags and, what is probably more serious, the frost damage to Brazil's young trees is so extensive that it appears that Brazilian production for the next several years may be severely limited, in this way reducing the world supply.

On the face of this news item, therefore, it would appear that the rise in the price of coffee is perhaps attributable to these natural causes. In the combines investigation branch we are interested in rises in the prices of things which are attributable to other than natural causes, in other words to combines and to attempts to rig prices. It is true that we watch the prices of these commodities carefully to make sure that a price rise which is under observation is not attributable to a combine, and for that reason we take an interest in such matters as the present price of coffee.

But our inquiries would seem to support another item which appears in this morning's Montreal *Gazette,* wherein it is stated that while Toronto importers predicted that the price of coffee would increase by about 34 cents a pound to $1.33 in the next few months, Ottawa importers did not believe the price would go that high and predicted a rise of two or three cents. Our price checks have indicated that the price rise here has been more of the order of that mentioned by the Ottawa importers.

My hon. friend asks whether we will authorize an inquiry along the lines of that authorized by President Eisenhower in the United States. According to press reports President Eisenhower instructed the federal trade commission of the United States of America to make a full-scale investigation. I would say that we would not authorize a full-scale investigation here unless it appeared, from the checks we are now making, that it was necessary. In that connection, having regard to the fact that the United States is by far the largest purchaser of coffee in the world, the price which it pays for its coffee tends to fix the price of the

coffee that is bought in Canada, so the investigation by the United States, if it discloses anything at all, would probably disclose the causes or some of the causes for the increase that is taking place or will take place here.

POLIOMYELITIS

INQUIRY AS TO NEW VACCINE

On the orders of the day:

Hon. Paul Martin (Minister of National Health and Welfare): The other day the hon. member for Moose Mountain (Mr. McCullough) asked a question with respect to the new vaccine, and I should now like to give further information.

Research on poliomyelitis vaccine has been carried on at the Connaught laboratories during the past two or three years, and has contributed greatly to the production of the large supplies to be used in the extensive testing of this vaccine in the United States. The value of the vaccine has not yet been established and may not be established for some time. Consideration was given by the officials of my department and by the dominion council of health to the institution of similar testing in Canada. But on the basis of the information we have and of the advice we have received from experts in this field, the department has concluded that the proper course for us for the time being is to observe the very extensive trial already launched in the United States, with the knowledge that the information resulting from the trial will be completely at our disposal and may be used as a guide in determining the need for and the nature of further action in this country.

As outlined in the reply which my parliamentary assistant gave to the house on December 2 last, the government has already undertaken to provide substantial assistance toward measures to combat poliomyelitis in Canada. I wish again to assure the house that we are prepared to play our full part in ensuring that the people of this country will enjoy the benefits of any outstanding advances in the prevention of this dread disease.

EXTERNAL AFFAIRS

CHINA—FOREIGN REAL ESTATE FIRMS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): I should like to direct a question to the Secretary of State for External Affairs. Has his attention been drawn to an order of the Tientsin people's government dated November 11, 1953 which abolishes the business of representation or management of properties of third parties by foreign real estate firms and which also, in the case of principals residing outside of China, has placed a three months limit on the time within which they must adjust their affairs.

I apologize for not giving the minister notice of this question, but the matter only came to my attention a short time ago. The three months limit of course ends on the 11th of February.

Hon. L. B. Pearson (Secretary of State for External Affairs): My attention has not been drawn to that report, but I shall look into the matter and see if I can produce a reply tomorrow.

VETERANS AFFAIRS

REPRESENTATIONS BY CANADIAN NON-PENSIONED VETERANS WIDOWS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of Veterans Affairs. Has the government received representations from the dominion council of the Canadian non-pensioned veterans widows asking for an increase in the widows' allowance and for certain other changes in the War Veterans Allowance Act? Will action be taken on these matters in the near future?

Hon. Hugues Lapointe (Minister of Veterans Affairs): The answer to the first part of the question is yes. The answer to the second part is that the representations are receiving consideration at the present time.

DISABLED PERSONS

INQUIRY AS TO CONFERENCE WITH PROVINCIAL MINISTERS

On the orders of the day:

Mr. E. G. Hansell (Macleod): May I ask the Minister of National Health and Welfare if he expects to give the house some report on the recent conference with the provincial ministers of health and welfare, or is he leaving the report until the measure is eventually introduced?

Hon. Paul Martin (Minister of National Health and Welfare): I do not now intend to make a report but I will when the bill providing for a dominion-wide system of disabled allowances is introduced in the house later this session. I can only say at this time that the conference was a most successful one, all provinces affirming the principle which it is proposed to incorporate in the federal government's legislation.

FLOODS

FRASER RIVER—STATE OF REPAIR OF DIKES ON MAIN CHANNEL

On the orders of the day:

Mr. T. H. Goode (Burnaby-Richmond): I should like to direct an inquiry to the Minister of Public Works. I am informed that snow conditions at the headwaters of the Fraser river are more severe than they have been for some years and that, if there is a quick run-off, the Fraser river will be in severe flood. Will the minister make an inquiry into the state of repair of the dikes on the main channel of the Fraser river within the boundaries of the municipality of Richmond, British Columbia.

Hon. Robert H. Winters (Minister of Public Works): I received this notice as I came into the house and I am, therefore, speaking from memory in saying that these dikes were turned over to the British Columbia government in the early part of 1950. In any event, their maintenance is the responsibility of the British Columbia government.

Mr. Goode: Supplementary to the minister's statement, I would point out to him that in the last three years the federal government has invested some $250,000 in these dikes.

NATIONAL HOUSING ACT

SUBSTITUTION OF NEW LEGISLATION TO INSURE APPROVED LENDERS, ETC.

The house resumed, from Monday, January 25, consideration of the motion of Mr. Winters for the second reading of Bill No. 102, to promote the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, at the time of the adjournment of the debate on Bill No. 102 I was asking the minister to take under consideration the advisability and the necessity of the federal government following the lead of some of the provincial governments in either making grants in aid to non-profit organizations undertaking the construction of homes for old age pensioners or others in the low income category, or subsidizing these houses directly through the assumption of some of the interest costs. At the same time I was thanking the minister and approving of the policy of the government in that they had accepted in the past the principle that those who construct low rent housing for old age pensioners on a non-profit basis should be able to borrow money from Central Mortgage and Housing Corporation at the same rate of interest as the long term borrowing rate of the federal government.

I am pleased to note, Mr. Speaker, that in paragraph (c) of clause 4 of Bill No. 102 and clause 16, the government have seen fit to carry forward the principle which they established for a number of years in the old legislation. I want to thank the minister for that. I should like to point out, however, the effect of interest rates, even if one can borrow at the same rate of interest as the long term rate for the government itself.

The organization to which I have the honour of belonging in British Columbia pioneered this kind of work. They have borrowed six times from Central Mortgage and Housing Corporation. I am not going to speak about the sixth time, because it occurred only recently and I have not all the particulars. I want to say that we are happy to have the money, and by the end of June we will have many more houses ready for old age pensioners on a low rental basis.

I am not quite certain whether I understood the minister when he answered a question just a few moments ago concerning loans that had been made, I believe, in Quebec.

Mr. Winters: In Ottawa.

Mr. Winch: Did I understand the minister to say that, in part, the loan concerned old age pensioners, for whom houses would be built on an average rental basis of $58 per month? There we have a clear indication of the need for federal action, either by direct aid or by lowering the interest rate, because I do not know of any old age pensioners or low income groups who could pay $58 per month. We do know, because it has been proven over a period of years, that if the provincial government has an interest, and the federal government gives an interest rate through Central Mortgage and Housing Corporation equal to the government's long term rate, you can supply fully modern houses to people in the low income groups for $20 or $21 per month, on a self-supporting basis. That is being done in British Columbia, and being done I point out even with the high rate which does not enable you to do as much building as you would otherwise, or give the rental that you otherwise could.

I should like, Mr. Speaker, to give the house the benefit of our accountant's report on the first five loans that we secured from the government. On project No. 1 we borrowed $10,000, amortized over 20 years, and the

interest rate was 3 per cent. By the time we pay it back it will have cost us in all $13,443. On the second project we borrowed $25,000 amortized over 40 years at 3 per cent, and that is going to cost us $43,262.40. On project No. 3 we borrowed $20,000 amortized over 40 years at 3 per cent, and that will cost us $34,610 by the time it is repaid. On project No. 4 we stepped it up and borrowed $60,000 amortized over 40 years, and the government established a rate of 3·5 per cent. We shall have paid back $111,940.80 by the time the loan has been paid. On project No. 5 we borrowed $55,000 and the interest rate was up to 3¾ per cent, amortized over 40 years. This loan will cost us $106,624. In other words, borrowing through Central Mortgage and Housing Corporation for old age pensioners on a non-profit basis, with a provincial grant of one-third and getting the land for one dollar from the municipality, we have borrowed $170,000 and will have to pay back $309,880.20. When we have to pay back that amount of money for this amount we borrowed, under the best terms the government gives, what then is the position of the citizen who wants to build his own home and has to borrow at 5·5 or 6 per cent?

I believe it can be said without question that not only is the down payment difficult but housing costs are high. I sincerely hope the minister will tell us some time just what use has been made over a period of years of that section of the housing act which gives him almost unlimited powers of research to try to bring down housing costs in Canada. All these factors, the heavy down payment, the high cost of housing, the interest rate and so on, hold back many people from building their own homes or building low rental homes.

I feel very strongly that, in view of the urgent need for houses in Canada both for home ownership and for rental, the government would be taking a very commendable and advisable step if it would do one of two things, either directly subsidize housing by a reduction of the interest rate to 2 per cent or grant a subsidy. This would provide a stopgap for the serious unemployment situation.

If the government does not feel it is possible to reduce the interest rate, then in the interests of housing, and of employment, they should extend to those who desire to construct houses in Canada the same provisions that have been established for years in connection with other types of houses constructed by limited liability companies or non-profit organizations. This would enable people to obtain money at the long term interest rate of the federal government. It would mean at least a reduction of 1½ or 2 per cent in the interest rate; and when you are borrowing for 25, 30 or 35 years the saving would amount to a great deal and would be an encouragement to housing construction in Canada.

So, Mr. Speaker, I sincerely hope that the minister, having established a good principle some years ago on one type of construction, will carry forward that same principle in the greater field of home construction in Canada, and either make grants directly in aid of home construction or reduce the interest rate to not more than the long term borrowing rate of the government.

I suggest this would be welcomed by every member in the house and by the people of Canada generally, and would amply demonstrate that we do have a progressive government and a progressive parliament.

Mr. McCullough (Moose Mountain): Mr. Speaker—

Mr. Speaker: Order. I believe the hon. member for York Centre (Mr. Hollingworth) wishes to proceed.

Mr. A. H. Hollingworth (York Centre): Mr. Speaker, in the first place I should like to congratulate the Minister of Public Works (Mr. Winters) and the government for introducing this new housing legislation which I believe is sound, progressive, and tailored to meet the needs of the Canadian people.

The two provisions which I feel will be of particular assistance in helping more people to acquire homes will be the lower down payment and the longer amortization period in which to pay back the mortgage. This means that people will have to pay less when the house is purchased, and will pay less in the monthly carrying charges.

I would also commend the government on making available loans from banks. I note this has been done in most, if not all, western countries, and it would seem to be the logical development of the Canadian banking system. Unlike my hon. friend the member for Eglinton (Mr. Fleming), I am not a bit worried about the novelty of the idea. It seems to have worked successfully in other countries, and undoubtedly the elasticity and ingenuity of our banking system here will permit of its being of great assistance in the further development of the Canadian economy.

I am particularly intrigued by the fact that these insured mortgages can be used as collateral to be deposited with the central bank by the chartered bank, which in return will receive credit the same as for Canadian

bonds. This is indeed far-reaching, and I believe takes into consideration in a brilliant manner the need for credit expansion in an ever-growing economy.

There is one thing, however, that does disturb me at the present time in this country, and that is the fact that the little man, the clerk or the factory worker, whose annual income is less than $3,000, cannot buy a home under the National Housing Act because the carrying charges comprise more than 23 per cent of his gross income. It seems to me fundamental justice that such a man should be able to own a house as well as anyone else. Accordingly, I have gone to some trouble to ascertain what other countries have done, having particular regard for this problem.

I find that in no countries have houses been built for potential owners in the lower income brackets, and it would seem that the reason for this is that the risk of carrying a mortgage on a person with a marginal income is too great. A resultant foreclosure would not only take away a person's house but would result in the loss of his hard-earned down payment. Of course some of my friends, particularly in the C.C.F., will say, "Why not give an outright government subsidy to this man?" One answer would appear to be that in many cases an owner's income might improve to the point that the owner would not need the government subsidy; and then, of course, someone would be helped who would not need the help of the government.

I think, therefore, that subsidized government rental housing is the answer to the particular problem I have in mind, and I say that the new bill covers this in clause 36, formerly section 35 of the act. There is provision for joint development of lower cost rental housing between the provincial and federal governments. This is not pure theory; it has worked in practice. My information is that 1,562 units have been built so far under this clause, which was section 35 of the old act. The breakdown is as follows: 292 units in St. John's, Newfoundland; 161 units in Halifax; 288 units in Saint John, New Brunswick; 105 units in Saskatchewan; 224 units under construction in Vancouver, and 492 units in Ontario.

This scheme may be carried out in two ways—either by the owners buying the houses, which will cost less because no profit is being made by the developer of the lands from the installation of package disposal plants and the like, or by the appropriate government body renting the houses, which is what I am more particularly concerned with here. The dwellings may be either duplexes or row houses, such as they have in Newfoundland, or single family dwelling houses, which have been confined largely to Ontario.

The important point is this, that the dwellings in Newfoundland rent at $37 or $38 per month, and at rentals of $55 to $60 a month on a self-liquidating basis. That seems to me to be the concrete answer to this problem of providing housing for the lower income groups. However, and this is the important thing, the initiative must come from the provinces under the legislation, or more specifically those creatures of the provinces, the local municipalities.

It is all very well for people to say, "Well, why do not the municipalities do something about it?" Those members in the house who have served on municipal councils in the last few years will realize that the problems of municipal councils are tremendous, and that the greatest problem of all is to provide funds for financing local schools. Let us be frank about it. This is a provincial matter. And I might say I am pained and disturbed that my esteemed friend, the hon. member for Eglinton (Mr. Fleming), got to his feet and complained that the bill does nothing about providing serviced land. I am sure he said that with his tongue in his cheek. Because my hon. friend knows—

Mr. Fleming: On a point of order, Your Honour might not have heard what the hon. member said, but I would point out he has just said that an hon. member in the house—and he was referring to myself—had spoken with his tongue in his cheek. I understand that it is entirely unparliamentary to suggest insincerity on the part of a member speaking in the house. I would ask that the hon. member be compelled to withdraw that remark.

Mr. Speaker: Has the hon. member for York Centre anything to say by way of explanation?

Mr. Hollingworth: Mr. Speaker, I certainly would not want to use the expression jocularly or facetiously, but it seemed to me that the hon. member, as a competent and esteemed lawyer, would realize that something like this clearly came under provincial jurisdiction. Consequently when that remark was made as the most important argument in his speech on the bill, surely he realized that one should not take it too seriously.

Mr. Speaker: What the hon. gentleman is complaining about is the expression which has just been used. My view is that when an hon. member feels that he should rise in his place and complain about an expression which has been used by another hon. member while he is speaking, the easiest way out for the hon. member who has used the expression is to say "I shall be glad to withdraw", and carry on with the speech.

Mr. Hollingworth: I shall be glad to withdraw. I was saying that the providing of serviced land must come on the initiative of the provinces, and I would respectfully suggest to the hon. member for Eglinton that he use his considerable influence with his provincial colleagues in Ontario to see that installation of services goes forward in the Toronto area.

Just last week several large subdivisions were rejected by the planning board of the township of North York because of the lack of services. Is the hon. member for Eglinton seriously suggesting that this bill before the house should provide services for subdivisions? Hundreds of houses cannot be built in North York at the present time, and hundreds of families cannot have homes because the provincial government in Ontario has not seen fit to galvanize into action the metropolitan council of greater Toronto to provide serviced lands. The hon. member for Eglinton knows that. Therefore I respectfully ask, why does he draw a red herring across this trail? Why does he not come out and admit that this is a sound, imaginative bill? Why does he not admit that the problem of serviced land—the No. 1 problem in our housing bottleneck—is the ultimate and direct responsibility of the provincial government?

Again in closing, Mr. Speaker, I will say that I hope the provinces, the municipalities, and the federal government will all work together vigorously under the provisions of section 36 and solve our problem regarding low-cost rental housing. I think the explanation I have cited proves it can be done, and I fervently hope that more action will be taken in the near future.

Mr. Rodney Adamson (York West): Mr. Speaker, this bill reminds me of a measure to produce babies and leave them on the street. True, it does have clauses in it which can produce the swaddling clothes and the baskets to house babies temporarily, but it does not do what I think is necessary, namely look after the growth and the life of the structures it proposes to bring into being.

I feel, and my over-all criticism of the bill is, that it does not provide sufficient precaution to see that the initial expenditure, the initial investment in the structure, is adequately protected, and I propose to enlarge on that. Today, with the extremely high cost of living, it is not so much the initial cost of a house that is causing the trouble for so many people; it is the problem of maintenance and upkeep of the house. The No. 1 problem, as I see it, is to relieve the burden, including the tax burden, which falls directly on the home owner.

The first protection which I consider the bill fails to give is a mandatory clause dealing with town planning. True, in the section dealing with housing redevelopment there is a clause making the municipality submit a proper plan for the redevelopment of blighted or slum areas. But the regulations in the section dealing with new construction and new development with regard to town planning are of a permissive nature. In my opinion, permissive is not enough. I have seen all too many housing developments start off with inadequate zoning or planning and become not actually blighted areas but areas where properties have decreased in value at a rate far more rapidly than in an area which was properly planned.

Therefore my first criticism of the bill would be that provision for town planning and zoning for all new construction should be made more mandatory, and at least require it to have the approval of the provincial authorities or the municipal board in the province of Ontario, and through them the architects of Central Mortgage and Housing Corporation or the town planners that Central Mortgage and Housing Corporation are using. That is the first point.

In that regard I think the remarks of the President of the United States are of some interest, because in dealing with this whole question of housing on January 26 he said that one of his provisions was this:

> First, prevention of the spread of blight into good areas of the community through strict enforcement of housing and neighbourhood standards and strict occupancy controls.

Those of us who have seen the work that has been going on in the United States in regard to new development in the major cities can appreciate the importance being put on this question of proper planning. Therefore I feel that no new housing development should be started until, through planning, the future of the investment, no matter who makes it, will be as secure as possible and

that blight accelerated deterioration and the other dangerous developments which destroy the value of property will not set in.

It is all very well to have a beautiful, individually planned community; but if at some time in that planned community you are leaving it possible for somebody to come in and build a glue factory right next door, the whole value of that community will go down. In my opinion no new community should be created unless that protection is provided.

So much for town planning. The next criticism I have of the legislation—and I do not think this is so much the fault of the bill but rather the fault of the combines act—is this. If the banks, who are not knowledgeable with regard to mortgages on real estate, which is an entirely new field to them, set up a company or some kind of organization in which all the banks could pool what resources they wished, and developed their own mortgage authority, it would probably be a good thing and certainly, I believe, would make for efficiency. But I doubt very much whether they would be able to do this because of the combines act, for I believe that banks getting together to form a company or trust to provide money for housing would probably contravene that act.

However, I would ask the minister to consult, if he will, with the law officers of the crown to see if that would be so, because there will be a lot of mortgage money not available if individual banks feel that in certain cases they have to provide for the servicing of mortgages in small communities, whereas if there was an association through which all the banks could co-operate I think it would be greatly to the advantage of the scheme. The United States system called the federal national mortgage association, or "Fanny Mae" to use the colloquial term, is a joint association and I do not know enough about it, but I feel it is providing a very desirable service in the United States.

Now I come directly to the cost of upkeep. Where the housing need is greatest is in the urban and particularly suburban or growth municipalities. My own is a case in point. In Toronto township, where I live, and in the part of Etobicoke township which I represent —two of the most rapidly growing townships in all of Canada—I would say that this year the assessments on property have multiplied between five and ten times. Some people will claim that while the assessments have gone up the mill rate also will go down drastically, and that is the devout hope of the Toronto metropolitan council. While the mill rate will go down, nevertheless the assessments have gone up to such a degree that the net annual tax liability to the municipality by the home owner has in almost every case increased very substantially in the last three or four years. In most cases it has more than doubled since the end of the war, and in some cases it has not only doubled but trebled and quadrupled.

Municipal tax borne by the home owner is similar to a mortgage. You pay it or lose your property. Irrespective of your income, irrespective of your status or anything else, it is a direct liability on your prime security, that is your own home; yet the federal authorities, despite the fact that in the last budget they recognized the evils of double taxation and gave generous relief to the holders of Canadian common stocks and Canadian equities, are as yet blind to what I consider to be the most evil form of double taxation, namely taxation on the home of the Canadian citizen which must be paid but which is not considered when the individual home owner makes out his income tax form.

I have mentioned this before in this house, but I mention it again because I think it is only just that the municipal tax paid on a man's home should be a deduction from his income for the purpose of computing his income tax liability. But you will ask, "What about the man who rents? He has not that opportunity." But he has, because the landlord deducts municipal taxation and also the carrying charges, and in addition to that he amortizes over as many years as he likes the capital cost of the structure. The landlord, therefore, is by and large in a better position than the man who buys and owns. I feel that if we are going to encourage the man who buys and owns, then something along these lines must be done.

I am not going to go into the figures in detail in my own municipality, but I do want to say that the situation is definitely serious. If you undertake to construct a home on the basis of your income less the liabilities you have already undertaken, and if you have a tax liability which is constantly increasing, then your security is continually being whittled away by the continually rising costs of municipal government. I suggest that under these circumstances the first relief to the home owner should be in the matter of municipal taxation. I leave that for the moment, however, because I presume that will be one of the questions dealt with in the committee. Incidentally, I understand that municipal taxation is allowed as an income tax deduction in the United States.

My second point on the question of making it easier for a man to keep his home—and this is a problem I want to deal with—is that

I can see so easily the same conditions arising as in the thirties when a man bought a home, it deteriorated, and somebody along his street had a forced sale and sold at 50 or 60 cents on the dollar. What does that mean? It decreases the price of every single house on that street, because the forced sale regulates the price. I do not want people to be put in that position; therefore I am concentrating on making it easier to maintain the home.

Another way in which this bill is deficient is with regard to mortgage interest; not capital, but interest. In order to bring the man who owns his home into a position of equality with the man who rents, I believe that mortgage interest on a man's own home should also be allowed as a deduction from income for tax computation purposes.

Again the same thing holds true with regard to a man who builds a house and rents it. He can deduct the carrying charges. He can even amortize the capital cost, as he does. Then after the capital cost is amortized, he can sell the house and somebody else will be able to amortize the capital cost on the same house. That is the situation if he has bought for rental. I do not believe that is fair. I think encouragement must be given through the easing of the payments to keep the home. We have heard a great deal about insurance companies, banks, mortgage companies and everybody else asking so much in the way of interest and all the rest of it. The worst sinner or all is the federal government. It takes more from the income of the home owner than do all the other institutions combined. I feel that is the first place where relief should start.

The next point, of course, is the question —and I believe it should be considered as an aid to the municipalities, which aid would be passed on to the home owner in reduced taxation—of the sales tax on goods bought by the municipality. We have discussed this matter at some length, both in this house and elsewhere. I do not see why the federal government should tax the home owners of the township of Etobicoke $2,000 on a new fire engine which the township of Etobicoke bought and for which it paid $20,000 in order to provide the necessary protection for those homes.

An hon. Member: Double taxation.

Mr. Adamson: I think that is a case of double taxation. Perhaps it is small. Perhaps it is not as great as the others. Nevertheless it is a definite case of double taxation which I consider to be wrong and something adding again to the cost of owning and maintaining a home and family.

The next point I want to mention is the question of the funded debt of the municipalities. Today municipal bonds are, by and large, bought on a 4½ per cent, 5 per cent and sometimes, I presume, an even higher interest rate, possibly up to 6 per cent. I do not know of any at 6 per cent but I know of a great many at 5 per cent and 5¼ per cent.

What happens to the interest on the money that is lent to the municipality? The bonds are bought by individuals or by corporations and the interest goes to the individual or corporation. On that interest the individual or the corporation has to pay personal income tax or corporation income tax. Corporation taxation is about 47 per cent. Many people who buy municipal bonds are in the 50 per cent income tax bracket. This means that that bond yields the owner about 2 or 2½ per cent. It yields the federal government the other 2 or 2½ per cent. The home owner, however, has to pay the whole 5 per cent. Here is another case of double taxation.

The municipality must issue its debentures and its securities to yield a rate which is competitive in order that the bonds may be sold. The interest on those bonds must be paid by the home owners, through municipal taxation on property. There is only one source from which the interest on those bonds can be obtained, and that source is municipal taxation on real property. Yet the federal government, through the personal income tax and the corporation income tax, takes half the interest which the municipality must pay.

We have heard a great deal about borrowing money at 2 per cent. I do not know how it can be done in Canada, but I know how it can be done in the United States. Here again I want to make this suggestion on this whole question of housing. In the United States bonds of municipalities for improvement purposes can be and are issued free of federal taxation, so the municipal authorities in the United States can and do borrow money for from less than 2 per cent to 2¼ per cent. If a Canadian municipality were able to cut by half its cost of servicing its debentures, that is another way in which a saving could and would be passed on directly to the taxpayers, the owners of the houses in that municipality.

I should like to give an example of what is being done in the United States. That municipal debentures should be issued free of federal taxation is something which I think should certainly be considered here in Canada, because it does not violate any canon of banking that I know of; it seems to

be perfectly financially sound in the United States, and it has not caused any great financial upheaval. I want to give just one example. I obtained it out of the New York *Times* yesterday. It is that of the city of Durham, North Carolina, borrowing $2,225,000 for a sanitary sewer system. There are three maturities. There is one at $815,000 with a 2 per cent coupon, to yield between 1·4 per cent and 2·05 per cent. The larger one of $1,250,000 has a coupon of 2¼ per cent, to yield 2·10 to 2·40 per cent. At the top of this advertisement is this notice:

Interest exempt, in the opinion of counsel, under existing laws from all federal income taxes.

The advertisement is dated January 27, 1954. We say that is a breach of our banking system. We say it is something which we have not done before, something which would be resented and objected to by the followers of the canons of sound money. I thought I was a fair advocate of sound money, but the system under which we are operating is changing. This bill envisages as great a departure in Canadian banking as the banks going into the mortgage business. Surely if the bill envisages the banks doing this we can concede that it is not fiscally unsound for the municipalities to be given some relief, possibly the relief that is given them in the United States.

I hope the bill will be a success. Other clauses of the bill have been dealt with in great detail by members far more competent than I. But there is one thing we must preserve. When the proud parents bring the new baby from the hospital we have to remember that it is going to live for probably 20 or 21 years before going out on its own, and during that time it has to be fed, clothed and educated and has to have conveniences provided for it. The same is true of a house. It has to have provision of these essential services for 20 years at least before it becomes the outright property of its original purchasers. Every dollar which can be cut from their cost adds to the security of the owners. In my opinion the double taxation caused by the federal tax structure and regulations is the greatest destroyer of that security.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I wish to register my very great disappointment with the housing bill now before us. I have received considerable correspondence from my constituents also expressing disappointment with the proposals contained in the bill. I know they hoped, as many of us did, that when it was brought before the house it would make it possible for our people to build much needed housing. When you consider the various angles of the situation and the desperate need for housing, I think everyone will agree with me that the government has failed miserably in introducing adequate proposals at this time. The preface to the bill reads as follows:

An act to promote the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions.

In my opinion this legislation is a far cry from what is required to permit people in the various income brackets to build decent homes for themselves. I think it is a farce in that regard. The bill proposes to give the vested interests more security through the backing of the nation. At the same time people who will take advantage of it simply because of their desperate need for homes will be saddled with contracts the term of which has been extended from 20 to 25 or 30 years, and an interest rate which will be formidable. Later in my speech I want to document my statement that the cost to a home owner under this program will be fantastic.

I realize that each and every one of us has his own personal viewpoint on the matter of housing. I think the strength of the nation lies in its families and their homes. I believe the criterion of a good government is how it uses the total resources at its disposal, both taxes and natural resources, to raise the social and economic standards of the people. When we are facing a challenge throughout the world to what we call our free democratic system, I think it behooves us to give consideration to the most serious topic of adequate and decent houses for our people.

Today the ghosts of the hungry thirties are again rampant throughout the land. In some sections of our country we already have soup kitchens, and there are approximately 400,000 unemployed and jobless people. At the same time we have an abundance of lumber in our sawmills and lumber yards and adequate resources of every kind to build decent homes, but we find that provisions are not going to be made by the government of which the people needing homes will be able to take advantage.

As I say, each of us has his own ideas about what constitutes a decent housing program. In that connection I want to refer to the speech of the hon. member for Kootenay East (Mr. Byrne), which can be found at page 1417 of *Hansard* for January 25. In this speech he took some exception to the remarks of the hon. member for Okanagan Boundary (Mr. Jones) with respect to housing conditions in his constituency. The

hon. member for Kootenay East had this to say, as appears at page 1418 of *Hansard*:

> In my opinion it is not any defect in the housing act that causes people to live in shacks, but rather the excessive cost of housing in our time.

Sir, this bill is going to make housing very expensive for our people, and I do not think the statement that the cost of houses is excessive will enable the government to relieve itself of responsibility with respect to the removing of restrictions on the cost of living some time after 1945. Further on the hon. member had this to say about the excessive cost of home ownership:

> When purchasing an automobile today everyone seeks a certain amount of individuality, but in the purchase of homes people are going even farther. It would seem that every home must have its own individual design to suit the taste of the purchaser. We will either have to forget this demand for individuality or be content to pay these excessive costs.

He goes on to say:

> Whether one buys a low-priced automobile or one in the $5,000 or $6,000 class he will find that, essentially, they are the same in outline, and that the differences are chiefly in the matter of colour.

First of all I want to say that I am one who does not believe it would be in the interests of our people if their houses had to be all of one type. I think it is everyone's right to have some individuality in his home.

Furthermore, in regard to automobiles, which are outside the scope of this debate, I am sure hon. members will agree that when you go into the higher priced automobiles you feel that you get more than a different colour or paint. The same holds true with regard to houses. What we are speaking of now, sir, is not the high priced home, but good homes of a decent standard for our people.

Then I should like to refer to a speech delivered by the hon. member for St. Mary (Mr. Dupuis) as recorded in *Hansard* for January 25, at page 1434. The hon. member said:

> No one can seriously imply, not even my C.C.F. friends, that there might come a time when property owners who have taken advantage of this plan will lose the money they have spent because they will no longer be able to meet their obligations.
>
> Now, gentlemen, that is easy to say, and it is very easy to appear to sympathize with the plight of the poor. But, as far back as I can remember, I have known that those who cannot meet their obligations unfortunately stand to lose, in many instances, what they have already paid. Such is the case for automobiles, electric refrigerators and so on. If the buyer is not in a position to meet his payments, he stands to lose what he has already paid. That is unfortunate, but he must accept his loss, as we all have to accept our woes, since we are all in a valley of tears, as it is so well put in a certain prayer.

I do not believe that is the sort of attitude we should have in the matter of houses. I do not believe we should have the proposition put before hon. members of this house that people are going to have to put themselves in this position for 25 years, which is the amortization period suggested.

As I said before, sir, the incomes of many of our people are going down. I have here a report from today's *Globe and Mail* quoting Mr. Howard Harper in his presidential address to the Ontario soil and crop association. He said that farm income is down 16 per cent from 1949. In addition to that we have the statement that many people are in a price squeeze. This statement appeared in the Ottawa *Citizen* of January 26, 1954. Mr. H. H. Hannam is reported as saying that the drop in selling prices while production has remained high has placed Canada's 600,000 farm families in a price-cost squeeze which, in all likelihood, will be continued into 1954. We have the same situation all along the line. We have the jobless people and we have our farmers receiving lower incomes under present conditions.

I have here, Mr. Speaker, statistics which have been computed from figures released by the dominion bureau of statistics for 1953. I should like to place some of these on *Hansard* to indicate that there are many people who are not going to be able to take advantage of this bill. I think it would be of interest for me to go through the different brackets of income. First we have the grand total of those people who made out income tax returns, taxable and non-taxable, for the year 1951, of 4,102,170. There were 14.7 per cent with incomes under $1,000; 28·1 per cent with incomes between $1,000 and 2,000; 30·4 per cent with incomes between $2,000 and $3,000; 16·1 per cent with incomes between $3,000 and $4,000; 5·2 per cent with incomes between $4,000 and $5,000; 4·3 per cent with incomes between $5,000 and $10,000; 1 per cent with incomes between $10,000 and $25,000.

We found, sir, that persons with incomes under $2,000 make up 42·8 per cent of those making income tax returns. Persons with incomes under $3,000 make up 73·2 per cent of the total number making income tax returns in 1951. One can readily see from these figures that the bulk of our people are not going to be able to take advantage of this bill under any circumstances. Suppose there are some people who, out of desperation, will try to take advantage of the legislation that is proposed. When they go to the lending company they will want to buy a house. The lender will not say, "You are going to buy two houses" but that is in effect what the prospective home owner is going to have to do by the time he has paid for the house.

Here is an example. On a house which has a $10,000 lending value, 90 per cent of the first $8,000 would be $7,200; that is the proposal made in the bill. Then 70 per cent of the remaining $2,000 would be $1,400, which would make a total of $8,600. If that were amortized over 25 years to compute the monthly payments, including insurance, it would mean a monthly payment of $56.13 or a total of $673.56 per year. Over a period of 25 years the home owner would have paid back, if he were that fortunate, a total of $16,839 or almost 100 per cent over the original amount of money which he borrowed. When you consider that, in addition, he would have paid his down payment, obtained the site for his house and furnished his house, you can see how far from the orbit of practicability the bill is now.

In conclusion I want to say that the bill strikes me as nothing short of a farce. I recall that in Biblical times the word "usurer" was often used in reference to these money-changers. At the time they did not have the backing of the treasury of a great and powerful country, but today it would seem to me that is the situation. There are many safeguards for the investor, but there is no safeguard for the prospective home owner. My opinion could be summed up by saying this bill is a conglomeration of liberal mentality concocted into a capitalist bill which is going to be foisted upon an unsuspecting public. I hope that when the bill comes back from the committee we shall have something better than we have now.

(Translation):

Mr. Georges Villeneuve (Roberval): Mr. Speaker, in view of the importance attached to the question of housing, more particularly by the people I represent in this house, I cannot let the debate on the housing bill end without adding my own remarks.

The first observation I wish to make has to do with the protection of the family. In fact, the most important point in this regard is to ensure, first and above all, the protection of the family and more particularly of large families. Today, large families have trouble in finding shelter, somewhat like at the time when St. Joseph was trying to find a shelter for his wife who was expecting our Saviour's birth. Large families are always turned away when they seek a dwelling and, as a result, they have to live in the slums of our large cities. Yet, in our country, as everywhere else, the family is the source of the most important asset, our human resources. I note that the present housing legislation gives private enterprise the opportunity of working in the public interest. I therefore hope that our large families will be able to take advantage of this legislation to improve their condition.

I would also like to say a word about small towns and villages. In the constituency I represent there are no large centres of population, but each locality wishes to do its share to ensure the future of our country. Until now, small towns and villages have not received all the attention they deserve. However, I note that banks will now be able to make mortgage loans and that it will now be possible to help our small towns and villages expand, develop and take a deeper interest in the country.

Our small towns and villages are more important than ever, because we still have, in our vast country, wide open spaces, practically uninhabited, while other not so distant districts are overpopulated, and this is particularly true in the province of Quebec where one-third of the population lives in the southern part, while, in the rest of the province, the population is very inadequately spread. Well, if our small towns and villages can contribute to the development of the country through home ownership, I am convinced that in the future they will play an important part in the development not only of our provinces but of the country as a whole. As a matter of fact, when home ownership is made easier for those who live in small towns and villages, the economic structure is strengthened in the locality, the district, the province, and throughout the country.

I am happy to note that, from now on, we shall be in a position to expect greater benefits for local communities. I am also happy to see that this legislation favours the co-operative movement in the housing field. If there is one movement to which I pay special attention, that is the one. There is no better way of helping our workers obtain accommodation in the most economical way possible.

Now as to aid to municipalities wishing to improve their housing possibilities, I notice that a whole subsection of the bill is devoted to this matter. The federal government is willing to incur 75 per cent of the charges involved in subsidizing rental housing projects. I hope that the Quebec government will finally grant to municipalities their freedom, so that they may, in future, take advantage of this legislation, in view of the fact that, to my mind and in the opinion of many others, provincial autonomy is not at all involved in this instance. In fact, this is a contract made

up for a given period of time and I hope that the Quebec provincial government will help our workers and municipalities take advantage of the benefits of this legislation.

This bill provides for the improvement of the housing situation in three ways. It provides aid at the time of purchase, it provides for the locating of and finally for the alteration of houses or existing buildings. In this way, the door is open to prospective home owners; it is open to those who, in the past, were not interested in mortgage investments, which would have helped our low-income families to become home owners, or again those who do not wish to do so but who want, however, to live at all times in suitable housing.

Thirdly, the aim is to promote the conversion of existing houses. As a matter of fact, we can see here and there in certain communities some very nice and very large houses in which only three or four persons are living but which could shelter some twenty people if their owners had the means to convert them. Thanks to this act, our home owners will be able in the future to think about increasing the number of houses in our own communities. To me, that is a very interesting way of proceeding towards the solution of this very important problem.

What is more, under this act, the down payment on an $8,000 house will be only 10 per cent. Well, I think that is one way of helping and protecting the small wage earner. I do not know if it is possible in other districts to build a house for less than $8,000, but in my own district it is quite possible to do so. Since they will have to make a down payment of only $800, our people will be able to become home owners. It is absolutely necessary that our people remain property-minded, that is sacrifice-minded.

Mr. Speaker, I hope that this act will promote throughout the country, and particularly in my district and in my constituency, the building of a sufficient number of new houses to better help the development of the Canadian family.

(Text):

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, earlier this afternoon the hon. member for York Centre (Mr. Hollingworth) made some comment respecting the motives of the hon. member for Eglinton (Mr. Fleming). I think it might be well if, before proceeding with the remarks I wish to make, I were to place on record once again the words of the hon. member for Eglinton when he spoke in this debate on January 21, at page 1325 of *Hansard*. I shall quote only one paragraph from his remarks. I believe this will be sufficient to show his intentions with regard to the matter mentioned by the hon. member for York Centre.

> Let us see how this bill will attempt to meet the problem of our housing needs in Canada in relation to the various aspects I have mentioned. First, what does it do in relation to the shortage of serviced land or to meet the needs of municipalities? It does nothing new. The provisions of this bill offer no change whatever over those existing in the present act, and what is undoubtedly still the principal bottleneck in solving our housing problem today will continue. There is no provision in this bill in relation to it. This bill offers no help to the municipalities beyond such help as was offered to them under the existing legislation.

Later, this afternoon, the hon. member for York West (Mr. Adamson) also went into the matter of help that could be offered to municipalities in an effort to lower the tax rate on homes and thus afford some measure of relief to those who are attempting to carry the burden of home ownership.

On many occasions in the past several hon. members have made suggestions ranging all the way from relief in the matter of municipal taxes, relief in the matter of sales tax on municipal purchases, and right down the line to assistance in welfare matters, particularly with regard to unemployed employables who are not covered at the present time by the Unemployment Insurance Act. All these suggestions have been made in this house with one end in sight, namely that the municipalities might be relieved of some of the burden which they are forced to assume at the present time, and consequently the tax rate on real estate might be materially lowered.

I think it is just as well, Mr. Speaker, if we take a realistic view of this phase of home costs; and I feel that the hon. member for York Centre (Mr. Hollingworth) should reconsider the remarks he made this afternoon when he tried to impute insincerity to hon. members who in the main are merely trying to do their duty to the taxpayers of this country, and who are outspoken in their demands for action at the only level where some of the distress can be allayed, that is at the federal level.

With regard to this bill, it does seem to me that despite the fact that the debate which has taken place so far has brought out a variety of opinion as to the possible effect which the legislation will have on housing, and most of the speakers have attempted to narrow down the field to show those who will benefit by reason of this new

legislation, we are forced to admit that the regulations, which have not yet of course come out, are going to be just as important as the bill. Of course in this regard we can only guess as to what these regulations will be, but there is the matter of the ratio limitation, which formerly was set at 23 per cent. There seems to be no indication that this rate will be changed. The interest rate, which has not yet been set, but which it would appear will not be lower than 5½ per cent, and probably more, is something else which will have to be taken into consideration. As a matter of fact, all of these matters must be taken into consideration as well as the amortization, which has already been set.

When we take into consideration the fact that the ratio limitation will probably be 23 per cent, and assume that the interest rate will be 5½ per cent, which would seem about as low as we can hope for, we find that it still requires an annual salary of $3,500 to buy a $9,000 house, and $3,850 to buy a $10,000 house. That does not take into consideration the amount which must also be included for fire insurance, the 10 per cent tax cushion required by Central Mortgage and Housing Corporation, and mortgage insurance premium on that basis. When you take all these things into consideration it would be perfectly safe to assume that a salary requirement of something around $3,600 would be necessary for a $9,000 house and very close to $4,000 for a $10,000 house.

What does this mean to the people of Canada who would like to acquire houses? Well, it means that the wage earners in the bracket between $57.50 and $67.50 a week are going to be out, and this despite the fact that a great many of these people are now paying far more in monthly payments in rent for very inferior accommodation than the payments which are assumed to be reasonable under this scheme.

When I refer to the report of the dominion bureau of statistics on employment and payrolls I find that the average weekly wage in the city of Hamilton is $61.70. When I go down the list and take another city in another part of Canada I find that the average weekly wage in the city of Winnipeg is $52.51. When I move to the west coast and take Vancouver I find it is $60.18. When I come back to the city of Hamilton again I find that while the average is shown as $61.70, the low in industrial averages is $44.28 and the high is $72.75.

To revert to my remarks of a few moments ago and compare all these figures, it will be found that whereas a wage earner must make about $4,000 to buy a $10,000 house, the highest industrial wage earner in Hamilton is $72.75, or $3,783 a year, or a couple of hundred dollars less than the minimum requirement to purchase a $10,000 house.

Some of the charts which I have seen, which set out the various minimum salary requirements, show houses for as low as $8,000. I do not know in what city you would look for a new house for $8,000. I know you would not find one in Hamilton. I know you would be very lucky to find a house in Hamilton for $10,000; yet the minimum salary requirement to buy a $10,000 house is close to $4,000 and, as I said, the highest industrial average is at the rate of $3,783.

This reminds me of the instances I cited in this house last session with regard to the wages of postal employees. I showed that in two instances the postal workers were deemed to be undesirable risks because their salaries fell $100 or $200 short of the minimum requirements under Central Mortgage and Housing Corporation and the National Housing Act, despite the fact that these people were government employees. Apparently no consideration at all was given to the fact that they might reasonably expect to have permanent employment, or as permanent as one can expect in these days. But this raises the point of who will benefit, unless these regulations are altered from what one is led to believe they may well be. It appears as though only those who earn over $4,000 a year, and have not previously had sufficient cash for the 20 per cent down payment, but can reasonably expect to raise the 10 per cent down payment, will benefit.

Earlier this afternoon one of the previous speakers gave some very interesting figures with regard to the percentage of people to fall within that category. In summing up he said that 73·2 per cent of those persons who filed income tax returns have shown their income as under $3,000 a year. I had previously made a note to the effect that fully 80 per cent of our wage earners could not hope to benefit by this legislation. Using the figures already given, it looks as though my original guess was not very far out. As a matter of fact it is probably a little on the optimistic side.

After all, Mr. Speaker, legislation which is designed to furnish more homes for the people of our country should have some realistic relationship to the wages earned by the people who will require these homes, and to the prospect of their being able to avail themselves of the opportunities offered by the bill.

It seems to me there are two or three things which might well be considered very seriously

in drawing up the regulations. One is the point I mentioned a few moments ago, namely, that some of these people are even now paying much more in rent than is recognized as a reasonable amount in terms of the 23 per cent limitation. Why is that? One reason is that they cannot find places in which to live without paying a great deal more than they should; another reason is, as the hon. member for York-Humber (Miss Aitken) said the other day, that two, three and four members of a family are all contributing towards the cost of their housing accommodation, whatever it may be. In the case of young married couples, very often both husband and wife are working. In the case of those who have borne a family there are probably two or three children who have now reached the age where they are employed themselves. These young people within families also contribute towards the housing accommodation which they occupy, whether it be on a rental basis or whether they are attempting to buy their own home.

I submit it is only reasonable that the circumstances under which these people live should be taken into consideration. If a wage earner is in the $3,000 category, and if his wife and/or his children are supplementing the family income, then the gross amount of their earnings should be taken into consideration, particularly if these persons will agree to assume some responsibility in the matter of making payments. I can cite several cases from my own experience in which young people not yet married, and living at home, are helping their parents to liquidate the mortgage on the home. These same parents could not possibly have hoped to carry the load of home ownership without the help of their children. In turn, when these young people set up their own homes, I know they can reasonably expect to receive assistance from their parents who will still be in the earning class.

The difference between a ratio limitation of 23, 24, 25 and 26 per cent is very marked and it raises the question of the basis on which such limitations should be set. Who thought up the 23 per cent limitation in the first place? Why is it we should say 23 per cent is the proper figure upon which to base the calculation? I suppose we can all think back to the days of our youth when our parents told us we could afford to pay one week's salary for rent per month. That was the proper rent per month we could afford to pay for housing accommodation. But those days have gone. There are very few people today who are able to find living accommodation for one week's salary; and the few who do, I venture to say, are people who were probably fortunate enough to have purchased homes many years ago when they were not as expensive as they are today. They have paid off a large portion of their mortgage, and throughout the years, when they were paying off that mortgage, they probably did not have to pay 23 per cent; otherwise they could not have established themselves. Very few now are able to live in comfortable surroundings on one week's wages per month. However, as conditions change people adjust themselves to these changed conditions. They supplement their income in other ways. They cut their coat according to the cloth.

The actual difference between 23 and 24 per cent, say, at the $10,000 level is $160 in salary requirements. When you go up to the 25 per cent limitation you benefit by another $140, and when you go up to the 26 per cent you benefit by another $135. Therefore, Mr. Speaker, if it should be said that instead of the 23 per cent limitation a proper limitation was 26 per cent, you would have the advantage of about $440, which would make quite a difference in the matter of eligibility in loans under the bill.

I hope the minister will take all these things into consideration when the regulations are drawn up, because I believe very firmly that the workability of this bill when it becomes an act, and the availability of funds for housing, will depend largely upon the requirements which are written into it. I would seriously urge the minister not to block off a large majority of the wage earners of Canada from participating in a scheme which is sorely needed in order to provide homes for our people.

Mr. F. A. Enfield (York-Scarborough): Mr. Speaker, it is with a great deal of respect that I rise to make my contribution to the debate we have had and are having in regard to the new National Housing Act. I feel the act is a forward step in a field where the federal government is eminently suited to act, that is in the field of finance as applied to housing.

The debate has featured some criticism of the bill. We have been told that the down payments remain too high; that the monthly payments will be too high; that the proposed mortgage and salary requirements will be too high; and that even the Central Mortgage and Housing Corporation standards are too high for those who wish to qualify under the bill.

With regard to these criticisms I feel and respectfully submit that certain considerations have been overlooked. First of all,

all of the criticisms I have outlined basically provide for the protection of the home buyer. As to the monthly payment, based presumably on a 23 per cent ratio of the buyer's salary, it has been found, in the light of experience, and not only by Central Mortgage and Housing Corporation but by all other service organizations which have occasion to study the problem, such as the social workers and so forth, that a person should not spend more than a certain proportion—23 per cent to 25 per cent—of his income on housing. This is done to protect the buyer. I have often explained this in great detail to clients whom I have faced across my desk. There is no sense of their going into that project unless there is some hope of their carrying it through. Otherwise they will lose their equity or down payment, everything they had put into the house as they proceed with the purchase of it.

It has been said by the opposition that we have no right to assume how a person will spend his money. Obviously we have no such right, but we must, of course, work on the basis of averages and we are entitled to do so in this act. I will deal with the salary requirement a little bit later.

The second point I want to make is this. There has been an assumption that the old National Housing Act, as I suppose I can now call it, has been an abject failure. Nothing could be more wrong. We should look at the operation of the old act, because the new act is obviously an attempt to extend and to better the benefits of the old act. We should look at the old act to see how it worked.

In my riding of York-Scarborough, which is part of the Toronto suburban area—I only mention it to provide an example, and it is an area which is, as the hon. member for York-Humber so aptly described it, a pulsating, growing, suburban part of Toronto—we have had an increase in population over the last year of some 18,000 people in one small area alone. Eighty per cent of the 18,000 are people who are purchasing their own homes. Of those purchasing, the vast majority have purchased homes that have been built under the National Housing Act. The National Housing Act, as it now stands, has indeed been doing a tremendous service to the home buyers of Canada and we have no right to assume that it was a failure. We have every right to expect that the extension and the betterment of the act that is contemplated will be a further boon to the prospective home buyers. Let me give a concrete example of what can happen under this act.

I act for a builder who builds in my riding. Recently, by which I mean in the late fall of 1953, he was able to produce a home which would sell for $10,050—it was a very nice masonry home—with a down payment of $2,050 and the balance of $8,000 under a National Housing Act loan. He advertised it one evening in the Toronto *Daily Star*. That was on a Friday. By Monday 33 houses were sold, and we had a waiting list as long as your arm for anybody who might cancel his order. That is what happened in one day or over one week end; 33 houses sold and people clamouring to purchase more.

I dare say that if, under the new act, that builder was able to produce a home for $9,000, to sell with a down payment of $2,000 and with a $7,000 National Housing Act mortgage, the prospective home buyers in the Toronto metropolitan area, of whom there are many thousands, would literally beat a path to the builder's door. I am not at all pessimistic as to the effect of the new act. There we could use a $7,000 National Housing Act loan, where the salary requirement would not be $3,860 a year but somewhere in the neighbourhood of $3,000 a year. We have no right to assume that the minimum loan under the act will be $8,000. That is not true at all. I feel that builders will have the ability to build houses to sell for less than $10,000 under the aegis of the new act, if two conditions are fulfilled. One of those conditions is, of course, that we must have a free flow of mortgage money. The second is that there must be available serviced land on which the builder can build.

As to the free flow of mortgage money, may I say this. Housing is not merely a question of putting roofs over floors, walls and cellars. It involves a complicated process of co-ordinating the efforts of the lending institutions, the banks, the municipal governments and the provincial governments to produce, in the end, and to maintain the structure in which the buyer will live. With a free flow of mortgage money the builder, instead of having to build houses in dribs and drabs of 23 or 33 at a time, will be able to plan ahead. If he can rely on a continuous and assured flow of money, naturally his planning will be more broad; he can work on a larger scale; his costs will be reduced and his efficiency will be increased. As I say, I have no doubt that, under such conditions, a builder will be able to build good houses—even in the Toronto area where we

have costs which are probably as high as if not higher than those anywhere else in Canada—for at least $9,000. I feel that the banks can, must and will take advantage of the new legislation so that the builder will be assured of a continuous and free flow of mortgage money. Let us hope that will be the case.

What about the question of serviced land? I feel that here we have a much bigger problem. By services I mean of course the provision of roads, water, sewers, hydro, police and fire protection and, of course, that most costly of all services, namely schools. In a subdivision of about 200 or 300 homes you need a school that costs well-nigh half a million dollars. It is an extremely expensive proposition indeed.

How is the supply of serviced land controlled and regulated? In Ontario we have what is known as a planning act. Under the planning act a municipality has the power to declare an area to be an urban development area. If it does so, land that is affected by that declaration cannot then be subdivided until a plan of subdivision is registered against the title. The plan is drawn up and is submitted to the Ontario municipal board, which sends it out to about 13 different agencies for their approval. Then, if it is approved, it is sent to the municipality concerned and the municipality must, of course, also approve the plan. This is the procedure which the subdivider and/or the builder must carry out if he is to register his plan and commence building on the property.

What happens to that plan? I am afraid I have a particular interest in the Toronto area, and that is why I speak of it; but I think what I am saying applies generally throughout the country. The plans are presented to the municipal board and they are turned down not because it is bad planning or even unreasonable planning, or even that they do not want an area to develop in a certain direction. They are turned down because the cost of the services will raise the municipal debt to such a point that there will be too great a difference between the possible assessment on the houses and the debt itself. In other words, it is wholly a problem of municipal finance.

If we are to have sufficient serviced land on which builders may construct homes and take advantage of any free flow of mortgage money that may possibly be created by this legislation, then there has to be a frontal attack on the whole sphere of municipal finance by the provincial governments. They must try to provide a more equitable distribution of municipal taxes with respect to the provision of schools, roads, and hydro, water and other required services. Otherwise our whole effort in endeavouring to put this legislation into effect may go for nothing. With this bill we are endeavouring to set the play in motion. We are commencing an attack on the so-called housing problem. Let us hope that the other agencies involved, banks, provincial governments and municipalities, will not flinch and falter when it comes to their turn to carry the ball.

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I had not intended to participate in this debate, largely because I did not think I had any particular qualifications which would enable me to make a useful contribution. However, this does not necessarily seem to be a deterrent. As the debate progressed, it became more and more evident that the bill was unlikely to achieve the professed purpose, namely, to provide houses for the low income groups of our population. It is interesting to review the suggestions of the various parties in the house on this question. The government group quite obviously regards this legislation as the *summum bonum*, the acme of perfection, the apple of its eye.

I am not quite certain as to what the mechanics of legislation in this parliament are, but I suspect that the minister and his administrative assistants were probably the architects of the bill. It is probable that they then referred it to the cabinet for approval, and when approval was obtained the bill was drafted. It is to me extraordinary that there could be such unanimity of opinion about this bill among members opposite unless, of course, they had the advantage of a preview and the bill actually represents a consensus. However, I am extremely doubtful that this is the case, and I would suggest that if it is not the case this is surely a travesty of the democratic process.

With respect to our friends on the left, as might be expected they have come forward with their usual facile solution that the taxpayer should provide. They neglect to tell us, however, that the taxpayer is not only corporations, which of course are fair game, but the payer of the sales and excise taxes—in short, everybody. As a matter of fact I am astonished at the moderation of these gentlemen. When they suggested that the government lend money at 2 per cent, which incidentally is approximately half the rate the government would have to pay for it, they might just as easily have suggested that the taxpayer should provide the money completely free of interest. While they are about it, why not also suggest that principal payments be forgotten?

Mr. Johnston (Bow River): Why do you not suggest a practical plan?

Mr. Trainor: All right, I will. Give me a chance.

Mr. Johnston (Bow River): It will be good.

Mr. Lennard: You have been here long enough not to get so hot under the collar.

Mr. Johnston (Bow River): I never do.

Mr. Trainor: Turning to the gentlemen farther left, they of course have their customary solution for everything. Why not print new money to build new houses?

Mr. Johnston (Bow River): What do you think the bill is doing?

Mr. Hansell: Who said that?

Mr. Johnston (Bow River): That is exactly what the bill is doing.

Mr. Trainor: I do not believe it is, quite. It has not gone quite that far yet.

Mr. Rowe: Paper houses.

Mr. Trainor: This is a beautifully simple solution, of course, but it has the natural objection that maybe those who are supplying the houses, both labour and material suppliers, would not be willing to accept payment in this type of depreciated currency. Incidentally, this sort of thing has been tried before. It is not new. If the hon. gentlemen are interested in a souvenir collection, I think they can still pick up for about a nickel a million marks in the legal tender of Germany of the 1920's. That shows what happens when you start to do this sort of thing.

Mr. Wylie: You are being silly.

Mr. Trainor: If we concede that the bill will not meet the objectives for which it was designed, and the debate makes this self-evident, then I suggest it is incumbent on the house to seek alterations which give promise of achieving the objectives. In the first place, I think the validity of the fundamental concept of the bill should be examined. It assumes that individual home ownership is almost a *sine qua non*. I would dispute this basic assumption. How many families in urban localities have grown up and made their contribution to society in homes that they themselves did not own? It will be found that hundreds of thousands of the very best that this country has produced lived and lived well in rented premises.

I think that the emphasis in the bill should perhaps be shifted from home ownership to low rental housing. Mind you, I have no objection to the principle of home ownership. I would not favour altering the bill in any respect with regard to this principle. The bill provides for home ownership for certain groups of people. There is nothing wrong with individual ownership except that it is designed for those who wish it and, more particularly, for those who can afford it.

We shall have to concede that normal investment funds are not available for low rental housing largely because the return is too low and the conditions too uncertain to attract investment capital. Therefore I submit it is necessary to seek another agency. In this regard I should like to suggest to the minister that business and industry have the necessary social consciousness and sense of social responsibility to assume the burden of providing suitable housing for their own employees at a price they can afford to pay, provided, however, that this is not added to their operating expenses and consequently reflected in the price structure.

I submit, Mr. Speaker, that this is definitely in the interests of industry and business, because obviously the welfare of their employees must be of interest to them. The bill provides also, in a limited way, for this sort of participation by industry by specifying the industries of mining, lumbering, logging and so forth. Why not enlarge this provision to embrace all industry? There would be no particular objection that I can see to doing this. As a matter of fact, it would be a great social experiment.

I can envisage, Mr. Speaker, the emergence of a new social pattern wherein industry and business would gladly assume the responsibility for providing decent housing for its own employees. Such a development would unquestionably be in the best interests of business, and being based on self-interest it would be guaranteed a successful operation. I would suggest that these funds be lent to industry by the corporation when, in the judgment of the corporation, it is evident that the applicant possesses the financial stability to insure the servicing of the loan over a considerable period of time, and of course with adequate safeguards as to the rate of rental and so on.

I should say that this suggestion is entirely my own. I assume full responsibility for it, although I believe it is in accordance with the political principles of the official opposition. I offer it to the minister free and without expectation of any credit, because I believe I see in it the germ of a new social experiment which would provide decent homes for thousands of our people which this bill, in its present form, does not provide.

(Translation):

Mr. Leopold Demers (Laval): Mr. Speaker, on behalf of the population of the county

which it is my privilege and responsibility to represent in this house, I readily support the bill now before us, the principle of which is merely in accord with the constant desire of the government to create for the Canadian people an atmosphere of security and welfare.

The administration of public affairs is a very intricate matter. However, in studying this matter more thoroughly and more objectively one notes that the things that seemed obscure, even mysterious, become clearer and more definite. Accordingly, a government conscious of its responsibilities and anxious to provide a sound administration for the people must take into account a certain number of factors which may be summarized as follows:

1. To place upon our statute books laws which meet the highest aspirations of the people, from the moral, national, international and economic points of view and to take the necessary measures to ensure that these laws will be strictly enforced.

2. To show decency and judgment in the spending of public moneys.

In my opinion, those are the two great factors which a serious, honest and responsible administration should bear in mind. Mr. Speaker, I am satisfied that the government to which I have the honour of belonging at the present time take those factors into account, even scrupulously, whenever they make an administrative decision. Besides, the confidence shown by the Canadian people on so many occasions, was so clear, definite and unequivocal, more particularly in 1949 and 1953, that I do not feel it is necessary to comment further on the matter.

The present leader of the government, whom all men of good will in our country, and throughout the world, take pleasure in recognizing as the principal initiator of the North Atlantic pact, a pact I would qualify as "the greatest co-operative movement for peace in the whole world", once said that, in order to fight more successfully the pernicious and subversive ideas prevalent throughout the world, it was necessary for every member nation to take steps, within its own territory, to ensure more security, welfare and prosperity for all classes of society. Well, Mr. Speaker, once the hon. members of this house and of the Senate have enacted this bill, there will be a new law on our statute books, a humanitarian, social and eminently helpful piece of legislation, because the people of our own country will thus have an additional weapon with which to fight the communist doctrine, symbolic of the worst degradation of the human mind, which I still call a hideous octopus trying to infiltrate into our hearts and minds its fiendish tentacles in an effort to annihilate the best asset we possess in this country: our religious convictions, our way of thinking, our way of life, and our democratic principles. Moreover, this piece of legislation will enable a great many families to house themselves properly, a great number of Canadians to become home owners. Thus, a deeper sense of private ownership will develop in the individual, and our community spirit will grow at the same time as our love for Canada.

It is for those few reasons, Mr. Speaker, that I wholeheartedly support the principle as well as the terms of the bill before us. In conclusion, I most sincerely congratulate the Minister of Public Works (Mr. Winters) for having taken, in 1953, the necessary steps in order that the Central Mortgage and Housing Corporation might make direct loans in the constituency I represent. Since then, in my constituency, hundreds of houses have been built, large families have come in and have succeeded in finding adequate housing. Thanks to the minister's efforts, I have every reason to believe that during 1954 the constituency which I have the honour to represent will continue its expansion in the field of housing.

(Text):

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I do not intend to delay the house for long at this time, but I want to deal particularly with one point which I would ask the minister and the officials of Central Mortgage and Housing Corporation to look into. What I have in mind is a problem which confronts particularly the smaller municipalities which, thus far, have not been dealt with adequately. That is my main purpose in rising.

Before coming to that, however, I should like to say that I support the points made by speakers in the official opposition who have dealt with this bill, and would express the hope that the arguments and considerations they have placed before the minister and the house would receive most thoroughgoing and careful consideration.

In that connection it occurred to me that the fresh viewpoint put forward by the hon. member for Winnipeg South (Mr. Trainor) was one that arrested attention and is deserving of serious study. As I understood him, the hon. member did not question the

desirability of home ownership but said he felt that not all people in Canada wanted to own their homes. He pointed out that there is a considerable group whose needs would be met quite adequately by rental housing—in fact whose needs would be met better by the provision of rental accommodation than by the provision of accommodation available only on a purchase basis.

Then, if I understood him correctly, he went on to say that he felt perhaps there was not sufficient emphasis being placed on the provision of rental accommodation, and that attention was being directed almost exclusively to the provision of accommodation for purposes of purchase and ownership. He suggested that it behooved us to devote a great deal more attention to the problems of those whose particular requirements would best be met by rental accommodation.

If I understood correctly what he said in that regard, then I support fully his point of view. I liked, too, his suggestion that, inasmuch as the returns now available from money invested in this type of accommodation were not sufficiently attractive to produce large amounts of private money for that purpose, the role of government and of Central Mortgage and Housing Corporation, as well as of the act, should be paramount in this field. He added that greater facilities are necessary along these lines.

I was particularly struck by his suggestion that in this field industry and business should be invited to participate, on the basis that they have a common interest and a common duty, along with the rest of the community and with the government, to see that adequate housing accommodation is furnished for those people who find employment in business and industry. I understood his suggestion to be that we might make funds available under the terms of the National Housing Act for the construction of such rental housing projects in which arrangements industry and business would participate. They would organize and take some administrative responsibility under the plan, thus making it possible to have low rental housing accommodation available for their employees. I do feel it is a matter in which business and industry should and would be willing to accept their fair share of responsibility provided, as the hon. member said—and I agree —that the cost of that program is not added to the overhead of business, thus increasing the prices of their products.

I think it would be possible to find ways under the rental accommodation provisions of the National Housing Act to work out such a program, in which the co-operation of business and industry would be invited. I support fully the hon. member's suggestion that the minister and his officials should study the problem from that point of view, to find if a program along those lines could be worked out and put into effect. The hon. member, who is a new member in the house, deserves great credit for having put forward in this, his first session, this concrete suggestion, and one which, in all its implications, is fresh. What he has said should be considered as at least a partial solution of the tremendous problem of providing housing accommodation that now confronts this nation.

There can be no doubt that the problem of providing housing is one of the most serious confronting us. I need not rehearse all that has been said in that regard. I think more particularly, as I suppose all hon. members do, of the situation in my own constituency where even at this time families are living in accommodation which was provided for other purposes, and eight or nine years ago taken over on an emergency basis. After the war people were placed in that accommodation on the assumption that it would be used only as emergency shelter. They are still there, and living under conditions which are simply not good enough for Canadian people in these days.

I am not going to go into detail. I am sure many hon. members have in their constituencies so-called emergency shelter accommodation, consisting of—well, almost tarpaper shacks—temporary huts, erected on airports or adjacent to airports or army camps. This was never intended to be used as permanent dwelling accommodation. In it there are only plywood partitions to separate one end of the building from the other and to afford some measure of privacy for the occupants. Well, those of us who served as members of the armed forces during the war lived in some of those huts with plywood partitions, and we know exactly how much privacy there can be behind a plywood wall.

When one thinks of families having to dwell under those conditions, having to share bathroom facilities designed for occupancy by a group of men, such as would be found in army barracks, and realizes that this kind of accommodation is now being shared by women and children as well, one must conclude that it just is not decent in a country having the material prosperity and the potential living standards of ours.

That is what I have in mind when I say that there is no more important problem facing the country today than the necessity of

the provision of decent housing accommodation. That necessity is just as acute in the smaller centres as it is in the larger ones. I suppose it is natural that the needs of the big cities in this respect should be more emphasized in a discussion of this sort, because there are more people living in the big cities than in the smaller towns. But I am quite sure there is not a single member here from a rural area, and I doubt whether there is a member here from the cities, who would not agree with me when I say that in proportion to our population the need of housing accommodation is just as acute in the smaller centres as it is in the large ones.

I come from a riding in which there is no large city. Our biggest city, with its neighbouring municipality of North Kamloops and the immediately surrounding areas, has a population of probably 12,000 to 14,000 people. That is the biggest centre in my riding. The others are towns and villages of from about 600 to 3,000 people, and the rest of it is entirely rural. But in those smaller centres the need of accommodation is just as acute as it is in the larger centres in proportion to the population ratios that prevail between the two.

There has been brought to my attention the fact that, particularly in the smaller towns and villages, the facilities of the National Housing Act, as it stands at the present time, are not as fully available as they are in the larger centres of population. I suppose that would be natural if one considered only the facilities for inspection and the speedy arrangement of loans and so on. One could perhaps be reconciled to expecting that the processing of an application for a loan from a smaller centre would take longer than it would in a large centre where inspection and processing facilities are all immediately available. But it is not from that point of view that the criticism is directed. I am informed that in some of those smaller centres the down payment is substantially greater than what is required in the larger centres. I have figures given me from the village of Williams Lake, which is one of the typical centres of population in my riding. May I put it this way. A gentleman made a thorough study of what arrangements could be made to obtain building loans under the National Housing Act, and was informed that the minimum down payment required would be 30 per cent, not the 20 per cent which is available under the present act to those in larger centres. I am also informed that at the time this study was made 17 people indicated that they were prepared to take loans and go ahead under the National Housing Act, but when they were informed the down payment required would be 30 per cent not one of them went ahead with his application.

I understand the reason given as to why a higher down payment was required was that there was no industry located in the town in question. Well, of course, on that point I would most certainly take strong objection to that being used as a reason for requiring a higher down payment in a smaller centre. I would say that the difference in security, the risk, both moral and physical, as between property in big towns or cities and small towns, from that point of view, is so negligible that it does not form the basis of a difference in down payment of 10 per cent. In fact I would say that the moral risk is somewhat better in smaller communities than in larger ones. Certainly it is just as good, and in a good many respects the personal security involved is more satisfactory because there is not such a change in population in smaller centres, or shifts of population, as there are in the larger centres. As far as the application of any such argument to the actual village in question—Williams Lake—is concerned, I would point out that it is a very substantial distribution point, serving a large area, and that although it is true there are no heavy industries, no manufacturing industries in that area, with the exception of saw mills, its standard of income compares favourably to what it would be if the whole population were dependent upon industry itself.

I am further told, Mr. Speaker, that even the 30 per cent down payment was not quite all that these people would be expected to put up. In fact it was indicated that the home builder there would have to put down 40 per cent of the total cost, and that the nigger in the woodpile was the provision that the down payment was a minimum one, and that apparently there is some discretion to the corporation to increase that down payment in cases where it considers it necessary.

I am not familiar with all the details of the regulations and the application of the legislation, but I am putting this forward as a statement made to me by responsible people of this place after what I am satisfied was a thorough investigation. I do not know the reasons why the conditions that they report to me should exist, but I am putting it before the minister as a condition which is most serious from the point of view of smaller centres, and which places them at a

very grave disadvantage in comparison with larger centres in obtaining loans under the National Housing Act.

As I said, I am quite certain that no one living in a smaller centre, and being a reasonable person, would expect them to be equal in all respects; and the difficulties of administering it in smaller centres might create some obstacles, and would be expected to make it slightly more difficult for them to obtain the same treatment as they do in larger centres. But this tremendous disparity is not justified and, I am quite certain, not necessary. Therefore I would ask the minister to take a look at the matter himself and to have the president of Central Mortgage and Housing Corporation take a look at the situation, because I am quite certain that it is not necessary that such discrepancy should continue. I would also ask him to take a look at the situation with regard to the inspection facilities and other facilities which it is intended to provide to smaller centres in dealing with such applications for loans as may be approved.

The minister has implied that 4,000 branches of the chartered banks of Canada may well become lending offices under the new National Housing Act, in which case of course there would be a lending office in every community where there is a branch of a bank, so that even although in the past the lending companies, which have been confined pretty well to the life insurance companies, have not made loans in smaller centres because they have not had offices there and no inspection facilities there, I suppose it might well be that if in fact the branch banks are authorized to make loans for housing purposes there will be a lending office right there. I rather doubt—and here I agree with the hon. member for Eglinton (Mr. Fleming)—whether, particularly in its initial stages at any rate, the banks will authorize every one of their branches to be a lending office and to approve and process loans right there. Therefore, it seems to me, there will still be a very real need for providing adequate inspecting, lending and negotiating facilities for these smaller communities, and I would ask the minister to bear that problem in mind and, by changing the regulations under this act, or by amending the legislation itself in this connection, to eliminate this difference in the down payment required, so that, so far as is possible, reasonable, and consistent, smaller communities are placed in no less advantageous a position than big communities in getting loans for house building under the National Housing Act.

Mr. John Hunter (Parkdale): Mr. Speaker, I have listened for quite a long time to this debate and there are a few remarks I should like to make though I do not wish to take up very much time of the house.

I would like to remind hon. members that this housing situation over a period of approximately twenty years has gradually been shifted from the place where the legislative jurisdiction lies to the place where there is no legislative jurisdiction. The proper place for housing and exclusive legislative jurisdiction is in the province; it always has been and always will be, I presume. But gradually, because of a state of national housing emergency, the federal government has stepped into a field which is not properly its own, but which it was forced to step into because of national needs.

Housing has gradually become in the public mind synonymous with Ottawa. I might just remind hon. members that all we can do to assist in housing is to give financial assistance. We have no legislative jurisdiction over land, property or civil rights. If we had jurisdiction over property, particularly land, we would be in a very different position in regard to the former section 35 of the act relating to land assembly. Unfortunately, in my own province of Ontario the provincial government, which has that legislative jurisdiction, has taken very little interest in the problem of land assembly. I bring that up because today everyone we talk to about housing feels that this is our job, that it is Ottawa's job and the job of the federal government. I suppose we must admit that in a sense it is our job because we have taken the responsibility and have done the work.

Our expanding economy and expanding population can, I think, be compared somewhat to a small or a new company. When a new company is formed in a period of expansion it always finds itself undercapitalized. That is our situation today in Canada. We are a new nation expanding very rapidly and to an extent at least we are undercapitalized. There is really not quite enough money to go around and do all the things we are trying to do in this country and we have to make some arrangement whereby certain amounts will flow into certain fields for certain purposes and other amounts will flow into other fields.

It has become quite obvious in the last few years that in so far as housing is concerned we do not have enough money available. There was not sufficient money available for the borrowing public to build sufficient houses, though that of course is the

purpose of this new act which is being introduced at the present time and which in itself is merely a compilation of the old with certain new provisions added.

It is to be hoped that by allowing the banks to enter this field under the particular circumstances designated in the bill more money will become available. It is quite obvious from the act that 25 per cent less loans will be available from the former lending institutions and it is hoped to more than make that up by loans from the money made available by the banks.

Mr. Fleming: Twenty-five per cent more per mortgage.

Mr. Hunter: Yes, which obviously means 25 per cent less loans from the former lending institutions.

Extending the terms of repayment reduces the down payment to some extent. The question as to what is the proper percentage for down payment will never be satisfactorily answered because there are very different views on that point. There always have been and probably always will be though I think views will change when the lending institutions realize that this country is able to produce a stability of economy and can keep away from these former depressions which we suffered in the past, or at least we are all hoping we can keep away from them. That in turn is bound to be of some psychological significance to the lender over a period of years. At the present time the lending institutions or the lenders still remember that we had a bad depression, and they still remember that during that depression values dropped drastically, and that unless a person had a sizeable stake in a house or a sizeable investment in his home he was very liable to say: "I have lost my investment and I will just clear out". That is what happened in many cases during the depression.

If it be true that by the expansion and contraction of credits and by maintaining our exports we are able to produce a stable economy, then it is quite obvious that this is going to have a psychological effect on lenders generally over a period of years and they may then be willing to take smaller down payments.

Many people today say that they should be able to obtain loans on much smaller down payments, say of $1,000. That may be their view, and maybe it is correct, but the point is that the people who are lending the money are not lending their own money but that of policyholders and depositors and they have to take a fairly conservative point of view.

The only other way to make money available in Canada is by additional taxation and I do not believe the public want to pay any more taxes.

I have heard a number of speeches in which hon. members have estimated the housing shortage in this country. But again I would remind hon. members, as I did last year, that these estimates are very difficult to arrive at with any accuracy. The only possible estimate is on the act as it stands at the present time. Under the law under which we are operating at the present time, what is the measuring rod by which we estimate how many real purchasers we have in this country? How many people are really in a position to buy a house under the present law? As the law is changed you may find more people in a position to buy houses, but it is quite obvious that the only possible estimate that can be considered accurate is how many people under the present situation and under the present law are in a position to go out and buy a house, and how many of them are going to buy houses. Many people might like to buy a house but they are not in a position to pay for it and therefore they cannot be considered under the head of housing shortage. They must be in a position to pay for a house and wish to buy. In regard to these estimates I have the gravest suspicion because I know how difficult it would be to get information which would be really accurate on the subject.

The question of the interest rate is something with which, I suppose, people will never be really satisfied. It is quite clear that unless you make the rate of interest reasonably attractive the lenders are not going to make loans. They will simply put their money into another field where the rate of interest is sufficiently attractive. The only way around that is to start subsidizing the lenders and as soon as you start that you are running into the question of discrimination, because those who are going to get the benefit of these loans will in effect be subsidized by taxpayers' money and obtaining a favour which has not been available to those who already are buying their own homes and are paying on an economic basis. I think that such action would cause deep resentment throughout the country and I for one would not want to see it because it would cost the taxpayers a very large sum of money. You cannot manufacture a lower rate of interest. Somebody has to pay for it. As money becomes cheap the rate of interest will go down but that will depend on whether money ever does become cheap.

Another thing I was interested in was the accusation that in this bill there was a centralization of power. I think that statement has some merit. Certainly there is a centralization of power. I do not see how you can have it otherwise. It is quite true that Central Mortgage and Housing Corporation are going to have the task of administering the bill and working with the bank and they are going to have to pass judgment on the loans made by the bank, because the lender is simply going to send the application over to Central Mortgage and Housing Corporation for its report and valuation, and if it is accepted and the report is favourable and the borrower wishes to go ahead that would be the final valuation. The lending value would be apparent, and the administration will go on through Central Mortgage and Housing Corporation.

So in that sense there is no question about it that there is a concentration of administration there. The whole question is this. What alternative would you have? If we are going to get the banks into this thing, it is quite clear at this point that they are not in a position to enter into the mortgage business and to establish mortgage departments on their own. Good mortgage men are extremely scarce. The banks have not had sufficient experience to enter into that field. If we forced them to do the administration of this business, we would be in the position, I am afraid, where we would get very few loans for a long time from the banks. Therefore the only logical way of doing it was to let Central Mortgage and Housing Corporation do this administrative work. That could be the subject of some criticism.

I think the main thing we have to bear in mind and which I think the officers of Central Mortgage and Housing Corporation will have to bear in mind—as I know they are bearing it in mind—is the efficiency of their administration. If these loans in any way get bogged down with red tape, it is going to be a source of irritation to the borrowing public, or the people seeking housing, and a tremendous source of irritation to the builders; and the builders are, generally speaking, the people who produce most of the housing. Builders have a tendency to dislike anything like Central Mortgage anyway, because Central Mortgage has a number of regulations which are made in an effort to produce good housing. No builder wants to be curtailed any more than is necessary. He naturally wants to get into the field, build as many houses as he can and sell them as quickly as he can for as much profit as possible. Any interference by Central Mortgage would naturally be resented by the builder because it might possibly diminish his profit and it might cause him to do a great many things which he might not otherwise do. But that cannot be helped. In our free enterprise, we like to keep it free but it cannot be so free that we are not getting good houses.

I think that Central Mortgage is a highly necessary organization. I think it is run efficiently. I think that is true to date and we hope it will be so in the future. If Central Mortgage is able to provide efficiency of administration for these new loans, I think we are going to see a development in the lending field such as we hardly even expect at this time. I think we will see a tremendous amount of lending for housing. I am hoping indeed that we can meet the needs of the public of this country to a much greater degree. I think that this act is a splendid step forward. It is progressive. It is going to do a task that is highly necessary. Possibly it should have come a little bit earlier. Who is to say? It is difficult to do this sort of thing because you cannot, just overnight, order people to lend money. You have to get them to agree to it. You have to have their co-operation. Until you have their co-operation, you are not able just suddenly to put something on the statute books and say, "This is the way it will go". Until you have had preliminary discussions with the banks and the lending institutions generally and have worked out some system which is agreeable to them, and which they will accept—it may not be the final system and it may not be the best system in the end but it is the one that you can put into force at the present time—you are not in a position to enter into a new field of legislation.

These agreements have been worked out. The new legislation has been introduced. I think it will do an excellent job. I do not think it is the end of this thing. I think as public opinion veers and varies, and as the lending institutions realize what is happening in this field, we shall find coming along amendments which in time may produce more and better housing yet. But under the present set-up and under the present psychology of the lending public, I think this act is a magnificent step forward. I must say that to the minister and to the president of Central Mortgage and Housing Corporation I extend my sincere and genuine congratulations.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, in rising to take part briefly in this discussion, I do so partly out of surprise that

the hon. member for Kamloops (Mr. Fulton) should have been swept away by the vision of this new social experiment that was proposed a short time ago by the hon. member for Winnipeg South (Mr. Trainor). I can understand someone coming from a place like Winnipeg not having heard of or not knowing much about the company-town idea. But I must confess that I find it hard to understand why a native son of the province of British Columbia should allow himself to be moved by any such suggestion today. Obviously the hon. member for Winnipeg South cannot have had, as some of us have, much experience of the company-town idea as it existed in its heyday 30 or 40 years ago in British Columbia.

I happen to have had some experience of that idea, as have many other people in British Columbia. We consider that the sort of economic and social vassalage which that state of affairs brought about is something we should be moving away from. I for one would be prepared to oppose this idea most vigorously whenever—as runs the classical phrase—it rears its ugly head. I am surprised that it should exist even in the ranks of the modern Progressive Conservative party. I should like the hon. member to realize just what it means when people live in a place where their whole pay cheque goes back into the coffers of the company through their payment of rent for a company house and their payment to a company store for their groceries, food and clothes; the sort of pressure that can be brought to bear upon people to pay exorbitant prices for commodities; and the threats that have been made with regard to the security of jobs if the company facilities were not patronized 100 per cent. To put it quite frankly, I am surprised that it should be suggested that we should return to these things.

Mr. Fulton: The hon. member knows very well that it was not suggested; but I do not suppose there is any use in asking him to realize that.

Mr. Barnett: Even if the hon. member for Kamloops (Mr. Fulton) is not aware of the fact, I would say that, by and large, in British Columbia the more enlightened industrial corporations of today are moving away from this idea of a company town.

I have given a little bit of study to the section of the act that was referred to, namely section 17 in part II, which reads as follows:

> The corporation may, with the approval of the governor in council, make a loan to a borrower engaged in the mining, lumbering, logging or fishing industry, to assist in the construction of low or moderate-cost housing projects in areas or localities that are adjacent to or connected with the operations of the borrower.

I might be moved to agree that there might be some circumstances in which provisions such as those should be implemented. Without attempting to prolong this debate to any great extent, however, I should like to express my opinion that if the provisions of that section were reversed, the situation would be more in keeping with the best interests of the people of Canada today. In other words, I feel that the time has come when, through legislation—housing legislation, if necessary—those interests in this country to whom we entrust the right to develop our natural resources, those interests which accept the responsibility for raising the capital to develop those resources, should, along with that responsibility, accept some social responsibility with respect to providing the necessary housing and other community facilities. Those funds should be considered to be something to be used under a public trust, either by an incorporated community or by some other form of democratic organization. If the bill were to propose anything along these lines it would be more in keeping with the dignities and rights of Canadian citizens. That would be the case if it made such people as are referred to in this section responsible for providing funds to, shall we say, the housing corporation rather than the provision being the other way around as in the present act.

(Translation):

Mr. J. W. Dufresne (Quebec West): Mr. Speaker, I have no intention of extending unduly this debate. However, I would not like to see it come to an end without making my modest contribution and expressing the views of the electors I have the honour to represent.

After hearing with much attention and interest the numerous arguments put forth on the subject, I have come to the conclusion that this bill will not bring any help to the humble worker or average wage earner. True, the down payment will be lowered, but the monthly payments on capital and interest will vary from $56 to $59 per month, depending whether the borrower plans to repay his loan in 25 or 30 years. When one knows that in the city of Quebec the average weekly earnings of the worker are under $50, one must come to the conclusion that the purpose of this legislation is not to help the worker, but rather those who earn $4,000 per year. That is to say that parliament is asking us to enact legislation aimed at improving the

condition not of those who could profit by it, but rather of those who do not need such legislation.

There can be no question that there still exists a housing shortage in Canada. Our cities are still covered with slums which are a constant menace to public health. We must evidently find a fair and logical way of remedying the problem.

Although I am confident that the government wants to improve that alarming condition, I am compelled to state that this bill will not fulfil the aim for which it was introduced.

I know of no average wage earners like those living in my constituency, who will be in a position to benefit from this legislation and become home owners. It is not only a matter of being financially able to make the down payment and repay the capital and interest; in addition, the home owner will have to heat his house, pay municipal taxes, look after the maintenance of his property and provide for repairs that will have to be made sooner or later.

Large families living in slum conditions had hoped that the government might decide to legislate in order to enable them to move into more suitable dwellings.

They had also hoped to be able to live as true human beings. Their revenue is small, even though what they accomplish by their toil is essential to the economic prosperity of their country. They do their share generously in that field and they should be entitled to receive from the government a little more consideration, if not more decent treatment.

In this twentieth century, in a country like ours, endowed with all kinds of resources, I cannot understand this increase in slums, where large families are forced to live in cramped quarters. I know what I am saying, Mr. Speaker, because those shacks made of scraps of sheet metal and wood where people are forced to live are all too numerous in my constituency. And, during our severe Canadian winters, passing by those dreary places, I often say to myself: How these poor people must shiver with cold and suffer in their souls in these miserable quarters which people in more fortunate circumstances would not even wish to have as a kennel for their favourite dog!

In my humble opinion the legislation, in its present form, is nothing less than a gigantic farce perpetrated upon the working class. Everybody seems to agree when it comes to speaking out against communism, or loathing this pernicious philosophy but, unconsciously perhaps, we legislate in such a way as to support its propaganda.

Now that I have the opportunity, I hope I may, in a few minutes—I will only be three or four minutes and I hope the hon. members will not object—

An hon. Member: Go ahead.

Mr. Dufresne: I wish, then, to offer with regard to this bill a few suggestions which, to my mind, would be such as to correct this serious situation.

I am in favour of the immediate establishment of federal grants for building materials, in the proportion of 90 per cent. Let there be no misunderstanding in this regard: these grants would necessarily be converted into mortgages.

Middle class people having but a small amount to pay for their materials would then be in a position to carry out the building of their house with the co-operation of relatives and friends.

In the suburbs of Quebec, several workers have already taken advantage of this suggestion, so that they have been able to build themselves, for about $8,000, a most adequate duplex from which they will be able to earn fairly substantial revenue. In this way, with a lot acquired through their own sacrifices and about $1,000 down payment, a large number of workers will be able to become happy home owners, without having to assume an indebtedness of $10,000 which they would not be in a position to clear before 25 or 30 years.

Why not also provide in the act some measure of help for those who, at the present time, are bearing the burden of a heavy debt because they wanted to have a house of their own?

Would it not be possible, under this legislation, to have the Central Mortgage and Housing Corporation take over certain mortgages already existing with several insurance companies or lending institutions and which have to be repaid within 10 or 15 years? Let me give an example. Here is a workingman who has saved enough money for a down payment on a house and for the land on which to build that house. However, he had to borrow $8,500 from an insurance company, and he has to repay that loan over a period of ten years. The insurance people have made him buy from them an insurance policy as security for the mortgage to the amount of $5,000, and the borrower must pay each month a $12 premium. This worker is

then obliged to make monthly payments of about $107. To this must be added municipal taxes amounting to $450 per year, $200 for heating and the upkeep of the said property.

How can anyone expect that this worker will not get discouraged or that he would not be in danger, in case of illness or unemployment, of losing the savings which have cost him so much work and such heavy sacrifices.

I hope that the government whose responsibility it is to legislate for the people will consent to make, in the bill we are now asked to approve, the changes that are required if the government really cares to help those who are in need of such help. If we do this, we will then have found, as I have already said, one of the most efficient means of fighting the subversive ideas which are much too often bred in the slums and the distressed homes I mentioned earlier.

Democracy should not be an empty word nor a matter for propaganda in parliament. It must really exist. Let us legislate for the people if we want our people to have, towards our parliamentary institutions, the respect they deserve.

(Text):

Mr. Speaker: I must explain that earlier the hon. member for Quebec West (Mr. Dufresne) had asked the house for permission to carry on after six o'clock. Since there was no objection, he was doing so with unanimous consent.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, this is the first chance I have had to discuss housing since the minister has become responsible for this important branch of government. While I plan on making some critical remarks regarding the proposal before the house, I should like to say that members of this group will be supporting the measure, because it will provide some housing. It will be better than no legislation at all. But I really do not think it is good enough for Canada in this day and generation.

I would like to express my sympathy to the minister. I feel that, being well qualified as he is in engineering, and with his vision for the future, his colleagues in the cabinet are taking advantage of his youth and his good nature by having him sponsor a bill of this type.

When one considers the performance by Canada during the war years alongside our record in housing since the war, I think he cannot be satisfied. It is just ten years ago since the well-known Curtis report was presented. That was on March 24, 1944. I think it would be well for us to remember something of the plans for the brave new world that was to dawn as soon as the war was over.

This committee summarized its findings by pointing out the following:

> Canada has lagged behind the example of European countries, of Great Britain and the United States in providing greater governmental assistance for housing as a matter of welfare and public concern. These substantial reasons put housing into the forefront of domestic post-war plans. The subcommittee believes that the provision for housing will have to include home ownership, home improvement, slum clearance, low rental projects and rural and farm housing.

And later on it says:

> It seems indicated that special attention in the advance preparation of plans should be given to low rental housing and farm housing, in which this country has had little or no experience to date; and also that home and farm improvement should be made ready the most urgently in advance, because of its immediate applicability to the first period of demobilization . . . The committee places in the forefront of all housing projects the matter of town and community planning. Town planning is essentially the matter of using land in its most efficient and socially desirable way. Many people regard town planning as a matter of parkways, arterial roads, and similar measures. But town planning should mean the utilization of all land in terms of long-range and carefully considered objectives. Obviously, this process must extend beyond the more or less arbitrary boundaries of our present cities and unite with organized rural planning wherever appropriate. The institution of at least the essentials of town planning is both preliminary and basic to housing developments. The committee, therefore, regards it as a step which must be taken at the earliest possible moment in preparation for post-war housing projects;—

And so on. The two points stressed by the committee as requiring top priority were low rental subsidized housing and rural housing. Some of my colleagues in this party have discussed the question of low rental subsidized housing, and I do not propose to go over the ground that they have covered so well. But I do wish to say that it has been a well-established principle in all countries that the community pays a very high price for maintaining run-down slum areas in our large cities. It has been a false economy for Canada through many years to fail to deal with this question.

I know we have made a start. But, again, when we compare the performance of this

country during the war, when millions of our young people were in the services and when we were supplying munitions for our army as well as those of our allies, with the pitiful performance since the war in tearing down and burning these disgraceful slums found in every large centre of Canada, what we have done is not so impressive, and we cannot be satisfied with it.

I hope the minister sponsoring the bill will bring in legislation next year and every year to indicate that he is making some progress with the cabinet in getting that measure of support which would ensure that the federal government would lead the way, in co-operation with the provinces and municipalities, in the provision of low rental housing. This would be subsidized, of course, to make it possible for those people in the lower income brackets to have decent houses.

I think it is only fair that when a country is making heavy appropriations for the building of large industrial plants, at the same time adequate provision should be made to provide living quarters for the people who work in those plants.

When the debate opened a week ago today I was on my way to Uranium City and Eldorado. It was 62 degrees below zero the day we reached Eldorado, and it gave me pleasure to note that the federal crown-owned corporation did not expect the people working for it in the far north to rustle logs to build log shacks. Excellent living quarters have been provided for the people working on that northern project.

When in all parts of Canada large expenditures, into the millions, are being made to provide new equipment and plants, either the companies building the plants or some government organization, whether municipal, provincial or federal, should see that comfortable living quarters are made available for those working in the plants.

The present legislation is open to criticism therefore because it does not make adequate plans for the clearing of slums in the cities of this country. Looking through the speeches of hon. members who have taken part in the debate I have found very little comment concerning rural housing. I cannot accuse the government of ignoring the problem completely. Central Mortgage and Housing Corporation has issued a publication known as "Housing In Canada", which purports to be a factual summary for the third quarter of 1953. I find in it information about housing operations conducted by a number of branches of government.

For instance, I find that under the Veterans Land Act houses have been provided for some people who might be regarded as living in rural areas. Then, under the Canadian Farm Loan Act I find that loans were issued for new structures as follows:

Year	New Structures; Number of Loans
1945	53
1946	57
1948	62
1949	86
1950	71
1951	64

Then, I have figures to show the building of new structures under the Farm Improvement Loans Act. They are as follows:

Year	New Structures; Number of Loans
1945	232
1946	375
1947	387

Then there is another table setting out the number of farm units in Canada on which the gross mortgage loans on real estate have been approved by lending institutions. This information is given having relation to the type of loan. The table indicates that in 1947 the number of loans on farms stood at 1,704, while in 1948 it was 1,738. The year 1948 was the big year. Since then there has been a drop. In 1949 it was 1,579; 1950, 1,550; 1951, 1,368; and in 1952 it had fallen to 1,170. That is a start, Mr. Speaker, but certainly it is not a very impressive performance.

May I refer again to the Curtis report. It visualized a post-war housing program that would result in 100,000 farm units being built. It referred to the deplorable housing conditions on the farms in all provinces in Canada. In the report of the Curtis committee, I find there is a table giving the percentage of the farm houses of the various provinces without bathing facilities. The figures are as follows: Prince Edward Island, 93 per cent; Nova Scotia, 91·4 per cent; New Brunswick, 93·0 per cent; Quebec, 93·2 per cent; Ontario, 89·3 per cent; Manitoba, 96·8 per cent; Saskatchewan, 96·1 per cent; Alberta, 95·7 per cent; British Columbia, 76.5 per cent. Without flush toilets, 91·9 per cent of the farm homes in Canada were without these facilities in 1941, prior to the writing of the Curtis report.

Some of the suggestions made at that time should have received sympathetic consideration from the minister in charge of this department. The report says:

> The wisest course would seem to be the setting up either of a special rural division of the national housing administration, or at least a farm housing advisory committee which would include representatives from the Department of Agriculture. This procedure would not be incompatible with the existence of a rural housing committee within the Department of Agriculture, which might give special attention to housing and other farm facilities in their broader relations to agricultural efficiency.

I checked with the bureau of statistics to see whether they had information from the 1951 census on rural housing conditions according to federal constituencies, but they informed me that the information is not being compiled in that way; now it is being compiled on the census divisions. Therefore the last statistics that are available with respect to my own constituency are the 1941 census which gives interesting information. The value of the owner-occupied dwellings on the farms—these are the valuations placed by the farmer himself and by the census taker, who was a neighbour—are as follows. These are 1941 figures. The C.C.F. government in Saskatchewan does not take the credit or the blame. These are the figures: $656 for the farm and $813 for the non-farm. I am not suggesting that there are not houses that are worth a good deal more than that, but they appear to be the average values on the sample that was used when the census was being taken. Houses needing external repairs amounted to 42·2 per cent in the country and 34·4 per cent in the villages; houses that had furnace heating numbered 2·4 per cent; houses that had running water, ·1 per cent, just one out of a thousand. Apparently there were not enough flush toilets on the farms in Mackenzie to warrant an entry. There is a blank here. Number of houses with electric lights, 1·7 per cent; refrigeration, ice or mechanical, 3·8 per cent; radios, 52·3 per cent; automobiles, 25·2 per cent; telephones, 13·9 per cent; and one person out of a thousand had vacuum cleaners. It is pretty obvious that with that sort of housing available in the rural parts of Canada there is a field here in which the government of today should have been making ambitious plans, to make sure that the rural standards should be brought up to the standards found in our cities.

Reports from government agencies now indicate that we have a recession. Whether it is a major or a minor recession remains to be seen, but the number of persons unemployed in Canada at the moment apparently is higher than it has been at any time since the war. It should be pretty obvious that an ambitious housing program would be one of the finest projects that the government could undertake. If we could carry out the suggestions made in the Curtis report, that we wipe out the slums and embark on a low-rental subsidized housing program and solve the rural housing problem in Canada, there would be employment for carpenters, plumbers, tinsmiths and plasterers. There would be a market for a very large volume of building materials. That would be one way that Canada might avoid the effects of mass unemployment that we had in the 1930's. Therefore, I submit, the minister should give careful consideration to the suggestions which have come from this side of the house, and before the bill comes back for third reading incorporate these suggestions in it.

I was interested in a paragraph in the memorandum submitted to the government by the Canadian Congress of Labour on December 10. They drew attention to the fact that the speech from the throne promised:

> . . . measures to increase and broaden the supply of mortgage money so that more people with moderate incomes will be able to find facilities to enable them to build their own homes. This is welcome information, but it does not get to the root of the problem. Helping people with "moderate incomes" is no doubt desirable. But helping people with low incomes is even more desirable, and much more urgent.

I regret very much that the minister has not made provision for a housing program that would make houses available for people in the low-income brackets. In conclusion I should like to endorse the proposals presented by my colleague, the hon. member for York South (Mr. Noseworthy), that the federal government should undertake to make money available for housing at 2 per cent. My neighbour, the hon. member for Winnipeg South (Mr. Trainor), was critical of this proposal, but interest rates are determined by government policies. No one can deny the fact that investment in housing for the Canadian people would be a safe investment that should not require any higher interest than 2 per cent. The amortization period should be extended to 30 years.

When my wife and I set up housekeeping some 24 years ago we built a house, and I am quite sure that that house, after it has been used for 24 years, would sell for a good deal more than it cost 24 years ago. It is of frame construction. If it had been built of brick or stone the life would be longer; but, certainly in our part of Canada, a frame house that is kept painted can be expected to last for 40 or 50 years, and still be quite liveable. Therefore, having the house amortized over a period of 30 years is not unreasonable. The loans should be 90 per cent of the lending value. That is also reasonable. There are a great many people in Canada who want to own their own homes, and they could pay for their homes if given a start. The government of this country should take a chance on giving them a loan up to 90 per cent of the maximum lending value of $12,000. The government should

also have something to say on the very large quantities of building materials that are now going into theatres, bowling alleys, hotels, and other places of recreation. The building materials that are available should be used to a greater extent in providing houses for people of moderate incomes and those in the lower income brackets as well. I hope the minister will give most careful consideration to these suggestions and incorporate them in his bill.

Mr. F. E. Lennard (Wentworth): Mr. Speaker, in rising to speak at this time may I say I feel that almost everything has been said from almost every angle connected with this bill, and since I do not believe in repetition I will make my remarks very brief.

I merely rise to deal with a group of people who I feel are perhaps being overlooked and not getting the attention they deserve in connection with this bill. They are the real estate appraisers, the members of the appraisal institute of Canada and also the American institute of real estate appraisers. These people are highly skilled in their field and over the past few years have been conducting appraising and inspection for the lending bodies. During that time they have built up considerable office staff and equipment and under this bill there seems to be no place for them, because as I understand it the appraisers of the Central Mortgage and Housing Corporation will do all the appraising that is necessary. I just want to draw this to the attention of the minister in the hope that in some fashion he will find some place for many of these skilled people who have done a really good job during the past few years.

Mr. J. R. Garland (Nipissing): Mr. Speaker, the house may take some comfort from the fact that I am not going to make a speech but merely rise at this time to ask a question. It arises from the minister's statement on December 16 where he said, as reported at page 999 of *Hansard*:

> However, it is proposed that Central Mortgage and Housing Corporation shall continue to make loans to limited dividend companies and companies engaged in primary industries—

This is the part I am concerned with.

> —and, under some circumstances, to persons who are unable to secure loans from approved lenders.

These are the people with whom, it seems to me, most of us as members come in contact, those persons who for some reason or another, perhaps on grounds of a mere technicality, may not qualify and will be unable to get their loans from approved lending institutions.

[Mr. Nicholson.]

The minister may recall that a couple of years ago when building bogged down in northern Ontario under the joint loan plan, I recommended at that time that the government proceed with the direct loan phase of the legislation, and it was some time after that that the regulations were changed, and in areas containing a population greater than 5,000 these direct loans were made. From my personal experience in the north, and I speak only from personal experience, that was the only thing which did assist in getting more houses built. I would like to ask the minister if he would tell the house the amount of loans made in 1953 under this direct loan phase, and I would like to know if it is the government's policy to expand or restrict this phase, because I certainly believe the government through the corporation should stand ready to make such direct loans in substantial volume where necessary and where the approved lending institutions fail to do so.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, like the hon. member for Wentworth (Mr. Lennard), I believe that nearly everything that can be said on this bill has already been said. However, since I come from a population centre of Canada where the housing situation is bad and has been bad for a long time, it might be considered strange if I did not say something in this debate.

I believe I am speaking for all the members of the C.C.F. group when I say that while we feel there are many grave shortcomings in this bill we are going to vote for it because we believe it is an effort to meet the present situation, although we believe it is not being met in the way it should be. I believe the government will have to give more attention to the building of low rental homes, because some people will never be able to get sufficient money in advance for a down payment, and these people, may I add, are paying exorbitant rents now for very inferior accommodation. But there is also the fact that in a city like Vancouver there are many people for whom the ownership of a home would be a liability. These are the people who have no steady employment in one place. They are here for a couple of months and somewhere else for the next couple of months, and then they travel somewhere else after that. Anyone can understand that a home for such people, and there are a great many people in my province in seasonal employment, even if they could afford a down payment and afford to buy a home, would be a liability. They must always be in a position where, as soon

as one job finishes, they can pull up stakes and move to the locality where the next job may be.

I am therefore convinced the government will have to give more attention to the building of low rental homes because private enterprise will not provide that kind of accommodation. As a matter of fact, I was rather surprised to hear one of the members on my right criticize the government for going too far in the housing business, and to hear it claimed that the prospects should be made more attractive to private enterprise. I want to tell this house, Mr. Speaker, that private enterprise has never yet anywhere in any country provided housing for those who need housing most.

My first view of the older countries of Europe was in connection with the slums in which the working class of those countries lived, and I compared that with the splendor in which royalty and the owning class lived. That is the picture in every country in the world where governments have not concerned themselves with providing housing accommodation. In this new and rich country the growing slum conditions in every big city is proof positive that private enterprise cannot provide homes for those who need them most.

While we are going to vote for this bill we are quite satisfied it will no more meet the situation that confronts the people of Canada in the matter of housing than the various housing acts that have gone before. That is all I wish to say. I hope the genial Minister of Public Works (Mr. Winters) will pay attention to what I have said, not because I have said it but because it is a correct picture of things as they are.

Mr. G. K. Fraser (Peterborough): Mr. Speaker, a moment ago the hon. member for Nipissing (Mr. Garland) mentioned direct loans. There are a few small villages in my riding. In each of these villages it has been found impossible to get loans for the purpose of building homes. The lending companies will not go in there and lend these people the money with which to build. Personally I feel that something definite should be done —and I know that is the feeling of the people in these villages, in the chambers of commerce and the various councils—and that this bill which the minister is trying to put through will not be complete unless in it some provision is made whereby loans can be made to people in these small villages in order that they may build.

These villages are all growing in size; they are getting larger every day. Better houses would and could be built if direct loans could and would be given by the government. At the present time those who are building in those villages are, in most cases, people who have come from the city. They have retired and have come from the city in order to live in these villages or they are people who have been unable to build just where they wanted to build in the city and, because they wanted to get away from traffic noise, have moved to the small villages. In many cases they come back to Peterborough to work. They are people who have good positions—some of them have extremely good positions—but they cannot get these loans. When the minister speaks, in closing this debate, I wish he would give us some idea as to what is to be done with regard to these people.

(Translation):

Mr. Leon Balcer (Three Rivers): Mr. Speaker, I would like to make a few remarks on the housing situation, before the end of the debate. During the discussion, some members who support the government have commented upon the housing program put into effect by the province of Quebec, particularly with regard to the various acts having to do with the housing problem.

I am pleased to remind the house that the province of Quebec benefits at present from the most generous legislation there is in respect to small homes. It is so because the province of Quebec has passed, with respect to housing, an act under which anyone who builds a house may be granted a direct loan from the provincial government in the sense that part of the interest the new owner has to pay on the mortgage is paid back to him; because of this provision, that piece of legislation is one of the most generous there is in the field of housing in the whole of Canada. The province of Quebec has lent many millions of dollars, thus contributing to lighten the new home owner's crushing burden of carrying charges.

It is all very well to say that the federal government is passing legislation in order to make it easier for small owners to obtain the credit required to build houses, but one must not forget that the main obstacle put in the path of prospective builders of houses is the excessive burden of carrying charges. The builder of a house finds that the rent is too high, that this monthly payment cannot be met.

The province of Quebec having undertaken to pay back part of the interest to the prospective owner of a small home, the owner is in a position to borrow a larger amount of money without being crushed by excessive carrying charges.

Various government members from the province of Quebec have claimed that the

government of that province was putting obstacles in the way of various municipalities by failing to take advantage of loan facilities offered by the federal government in the field of municipal services, through the Central Mortgage and Housing Corporation, thus preventing those municipalities from opening up new residential districts. Well, I must remind the house that the present rate asked by the Central Housing and Mortgage Corporation on loans to municipalities for the purpose of providing municipal services is much too high. The legislation has been a source of disappointment in the province of Quebec because most municipalities can borrow money from ordinary sources at a much lower rate of interest; that is why, in the province of Quebec, municipal authorities have refused to take advantage of this legislation.

Now, much has been made of the fact that the province of Quebec has not seen fit to take advantage of those sections of the National Housing Act that would have enabled her to do away with slums. Well, Mr. Speaker, as far as that matter is concerned, I hope that the two governments will come to an agreement. As member for the city of Three Rivers, where the most crammed housing conditions are probably to be found, where families are more huddled together than anywhere else, I believe that there is a lot of slum clearing to be done. However, I am rather disappointed when I realize that the present legislation does not bring any improvement in that respect and that it still remains practically impossible for most municipalities in Quebec to take advantage of the sections of the housing act relating to slum clearance. As a matter of fact, it is provided in the act that both the federal and the provincial governments may provide money for slum clearing purposes. Unfortunately, the municipalities are not in a position to accept those gifts from the federal and provincial governments, as their financial situation does not enable them to become real estate agents or to undertake projects of that kind.

Which means, in fact, that the real crux of the matter in so far as the housing problem is concerned is not that our municipalities have trouble getting credit, but that they are quite without the means to face their obligations.

Our municipalities are poor and each time one of them attempts to benefit in some way from the terms of the present act, it is almost immediately faced with bankruptcy and put under the obligation to appeal to the provincial municipal board in order that its debts may be guaranteed by the province.

[Mr. Balcer.]

To my mind it would be a relatively easy matter to solve these problems if each level of government—federal, provincial and municipal—had distinct and well determined sources of revenue. Our municipalities are in a deplorable financial situation and until a conference is held once more to draw a dividing line between the various federal, provincial and municipal fields of taxation, I believe that the housing problem will remain acute in this country.

It is to be regretted that in a country as rich as ours, where there is no lack of building materials and where people will go to any length to become home owners, the present government can find nothing better than to introduce, every two or three years, new legislation which, no doubt, contains a few improvements but which is no solution to the problem as a whole.

In my opinion the government could do better. The problem could be solved, if not once and for all, at least in an equitable fashion, if only the question of sources of tax revenue of the various governments were once more examined and settled on a basis of justice and fairness for all.

(Text):

Mr. H. P. Mang (Qu'Appelle): Mr. Speaker, I am sure most people in Canada will realize that the government that preceded the present one did a great deal towards solving the housing problem in Canada. We see evidence of that on all sides as we pass through cities, towns and villages throughout the country. Our cities are expanding at a terrific rate, and a good deal of the housing expansion has been aided by the national housing program of the previous administration. On that evidence, I think every fair-minded person will admit that to be so.

The present administration, seeing that a wider field must be covered, has made a very serious attempt to expand this service and provide still more housing. I realize, as I think we all do, that the bill has not yet been finally hammered into shape, and that the discussion that has taken place here has been by way of offering suggestions to those members who will sit on the committee which is going to finish the job. We hope that the outcome of their work will be such that the housing situation we have had during previous years will be improved.

Having said that, I want to point out that I believe there are many areas in Canada which are in a position similar to the one in which I live. I come from an entirely rural

area extending from Regina to the Manitoba boundary in the region south of Qu'Appelle river valley, and it is one of the predominantly agricultural areas of Saskatchewan. As a matter of fact, it is a pioneering area, and we have developed agriculture along all lines. We have a great cattle population, a mixed farming area, and south and west of Regina some of the finest and largest wheat fields to be found anywhere in North America. The riding is predominantly agricultural, and there is not one city in the whole area. It is served by towns, villages and hamlets, and there is a demand and need for housing in all the towns along the main line and spur lines of the C.N.R. In these towns and villages there are people who work in garages, with the implement companies, who operate service stations, teach in the schools and do all those things which service that agricultural area.

I am afraid that in these cities—I am thinking of cities all the time because my constituency extends almost up to the city of Regina—in these towns and villages, the level of earnings of these people is not such that they will fit into this scheme. While the committee is hammering the bill into its final form, perhaps it might give consideration to the lower income people who are providing these services for agriculture in my riding.

As far as the rural people are concerned, there are families with two or three sons. One son may be married, and he can get hold of some land, but he cannot build a house. After he has secured his equipment he probably does not have the down payment on a house. With the amount of the down payment being what it is now, I do not think that the bill, as it stands at the present time, will go very far in helping these people. I offer the suggestion that it would help a great deal if the down payment could be made of such a size as to cover the fees for processing the papers and take care of the insurance which is also being amortized. Perhaps that is too drastic. It will make the down payment low but it would be a great help. Many of these workers who provide these services have a hard time saving $800 or $1,000. By the time the end of the month comes their cheque is gone to the butcher, the baker, the candlestick maker and so on, and they are waiting for their next cheque.

My suggestion is that some very concentrated high-priced thinking, if I may call it that, be put to work on the question of lowering the down payment. I am not saying anything about lengthening the period of amortization. That is the way business is done, and I do not think a man who wants to have a home of his own is going to be particularly concerned about that. As long as he is investing his money in that home it will still be all right with him even if it takes him 25 years to pay off his debt. The reason why I suggest lowering the down payment is that repayment is guaranteed in any event. It is all sewed up. Under this situation the lender cannot lose. The money is there, and that is why I advocate lowering the down payment. I am just putting forward this view as a suggestion because, as I said when I began my remarks, I realize that the bill is not in its final form.

(Translation):

Mr. Lionel Bertrand (Terrebonne): Mr. Speaker, I wish to take only a few minutes to praise the government for having introduced this bill, and I wish to congratulate the hon. Minister of Public Works (Mr. Winters) on the way in which he presented this piece of legislation.

Speaking here on November 30, I urged that small cities and rural municipalities be granted the right to benefit from the new legislation. Up to now, as everyone knows, the Central Housing and Mortgage Corporation, as well as lending companies, were reluctant to grant loans outside large centres; so much red tape was involved that the applicants, getting tired of delays and evasive answers, withdrew their claims.

In my opinion, the housing legislation must be accessible to all, wherever they may live, as long as they comply with the basic conditions and provide the necessary guarantees of repayment.

I believe the act will have good results and will attain its object only if all taxpayers can take full and equal advantage of it.

In the second place, newly-wed couples should get help under this new legislation. If a young family man wants to take advantage of the act and if his situation offers the guarantee required under the act, his application should get special attention. Young married couples are just starting in life and have long years of married life ahead of them. By helping them to become home owners not only do we make them savings-minded and provide them with the opportunity to save, but we also make them cling all the more to this land of ours and help them become better citizens.

To make home ownership available to the greatest possible number of people is a social duty, and the government is to be congratulated on the efforts it has made to that end.

As for myself, I believe this new legislation will promote the development and prosperity of Canada.

(Text):

Mr. Speaker: If the minister speaks now, he will close the debate.

Hon. Robert H. Winters (Minister of Public Works): I wish to thank all hon. members, Mr. Speaker, who have taken part in this very interesting debate. That a considerable amount of interest has developed in the subject of housing is well evidenced by the fact that some 53 speakers have participated in this debate. If one can call this a speech in rebuttal, it will make 54 speeches in all. I wish to say a word of thanks especially to those members on this side of the house who have been so generous in their commendation of this legislation, and in their support of what the government believes is a measure which will go a long way towards helping housing in Canada.

The legislation before the house now is intended to increase the number of houses built each year. We hope to provide assistance to enable Canadians in the low and moderate income brackets to acquire suitable accommodation. I may say that it is intended to improve upon legislation which, since the middle of 1945, has encouraged the construction in Canada of over 730,000 housing units, which is a record unsurpassed in any other country. This Bill No. 102 is designated as an act to promote the construction of new houses, the repair and modernization of existing houses and the improvement of housing and living conditions.

Despite what some hon. members opposite have said about this bill, it is an honest effort to improve upon legislation that now exists, and which has already seen a great record of accomplishment. In 1953 alone, there was a record number of about 105,000 starts.

Mr. Fleming: I think the minister will agree that not all were under the act.

Mr. Winters: I readily agree with that, Mr. Speaker, and I have said so. This is an effort by all Canadians who are concerned with the house building business, encouraged, aided and abetted by the government under the terms of the National Housing Act.

I should like to refer to some of the remarks made by some hon. members. Since there were over 50 speakers, I am sure hon. members will understand that I cannot reply to each one of them. I am sure hon. members, too, will agree with the remarks of the hon. member for Brandon-Souris (Mr. Dinsdale), who said that many of the points were repetitious but were made for the purpose of emphasis. Many of the points that were brought up were raised on more than one occasion. At the outset I would particularly refer to the speech of the hon. member for Eglinton (Mr. Fleming), which I thought was a constructive contribution to the debate. As usual, the hon. member had done his homework thoroughly and had analysed the legislation fairly well. He was not able to see it as the forward-looking legislation which the government considers it to be, but I am sure as time goes by he will realize that it is. He took some two hours, well taken, to state the views of the opposition, but some 20 other hon. members from the Progressive Conservative opposition felt that this legislation was so comprehensive it was incumbent upon them to state the views of their party before the debate wound up.

The hon. member referred to the extension of credit, which is the main purpose of this legislation. It was the fear that mortgage money would not continue to flow at the level required for the high rate of house building now attained in this country, which led to these other steps being taken. I am in complete agreement with his statement that to sustain the financial requirements of a program of 100,000 units in Canada, there must be either an expansion of direct lending or some other means found to attract mortgage funds. This is the very purpose of the bill, as was stated today by the hon. member for York-Scarborough (Mr. Enfield), in a splendid contribution to the debate.

I am sure the hon. member agrees with me that it is better to attract mortgage funds from other sources than to expand direct lending by Central Mortgage and Housing Corporation.

Regarding the maximum sales price, to which he also referred, I wish to confirm that it is the intention to continue the maximum sales price arrangement. This technique, of course, is not without its troubles. I believe the high level of loans proposed must be accompanied by this limitation. It would be most unfortunate if the increase in the amount of mortgage loans had the effect of an increase in the sales price so that the home owner required as large a down payment and ended up with more mortgage debt.

The hon. member expressed the opinion that part I of the National Housing Act has been as fruitful as any piece of legislation enacted by this parliament or which is likely

to be enacted in the ordinary course of events. The principal purpose of this legislation is to ensure that part I remains effective. We are attempting to cope with the danger that, in its present form, it would become less effective under the developing circumstances. I mentioned this when introducing this legislation.

The hon. member dealt at some length with the implication of steps taken by an approved lender to claim under the insurance policy. He stated that if a mortgagee permits arrears of interest to accumulate beyond six months he is running the risk of losing the benefit of the guarantee with respect to any additional arrears. Perhaps I should clarify this condition. The bill provides that the amount paid in the insurance policy shall include interest at the mortgage rate for six months, and at the mortgage rate less 2 per cent for the ensuing 12 months. The bill also provides that when three months' instalments are in arrears the lender shall report to Central Mortgage the steps being taken. This, I think, is a prudent provision because the insurer is entitled to some indication, not only of his probable losses but also that the lender is being prudent in the administration of the account. Providing such notification is given, then the approved lender qualifies for the interest which runs from six to eighteen months.

If such notification is not given, then the interest included in the payments of the lender is limited to six months at the mortgage rate. This requirement of notification at the end of three months does not imply that foreclosure must be instituted at that time. I would think that in most cases the mortgagee would inform Central Mortgage that they were nursing the account along in the hope that the borrower would cure the default. Under the present joint lending arrangements, there is a similar requirement for notification at the end of three months. In this respect the new bill represents a change only to the extent that interest from six to eighteen months is dependent upon Central Mortgage being notified of the steps being taken by the lender. The hon. member pointed out that Central Mortgage and Housing Corporation becomes the sole arbiter in respect of standards and quality of construction. To the extent that present inspections of lending institutions are checked by Central Mortgage, this is presently the case.

I appreciate the reservation of the hon. member. However, over the last few years it has been necessary to superimpose compliance inspections by Central Mortgage upon inspections carried on by lending institutions. There is a wide variation in the sufficiency of present inspections, and the new arrangement will have the benefit of uniformity. Furthermore the banks are in no position to do compliance inspections.

The hon. member then went on to deal with the possibility that progress advances will not be handled expeditiously by Central Mortgage. In the case of present lending institutions, they will make their own progress advances, and there will be no change. I do not share the hon. member's view in this respect. In support of this, I point out that houses built under the defence workers' plan in Toronto have been completed more speedily than average joint loans in that area.

The hon. member for York South (Mr. Noseworthy), who was the official spokesman, I presume, of the C.C.F. party, made a speech which followed well the philosophy which is representative of that party. He was concerned with subsidized housing and he said that nowhere in the legislation did he see provision for subsidization. Well, I know that my hon. friend just for the moment overlooked section 35, which has been on the statute books since 1949, and which has been applied in many provinces across this country to enable the people who cannot pay economic rentals to obtain satisfactory accommodation. Perhaps he misunderstood the section in this present bill which continues to provide that three-quarters of such rent reduction fund is borne by the federal government.

Under this legislation there are already 1,562 subsidized rental units in six provinces, the average subsidy unit per month is $17.91, and the share of the federal government on such subsidies is $13.43.

The hon. member for Burnaby-Coquitlam (Mr. Regier) made reference to housing for elderly persons, a subject which comes up from time to time in this house. I share his favourable view upon the project to which he refers. However, he said all these projects have been made possible by cash subsidies—on the initial cost of construction—from the province, and goes on to say that there is no other subsidy involved in the operation of these units.

I would point out to the hon. member that all of these units were financed under section 9 of the National Housing Act, and I am quite sure that the hon. member for Vancouver East (Mr. Winch) would support me in saying that loans under the National Housing Act and, as well, subsidies from the

government of British Columbia have made these units possible. In that respect I thank the hon. member for Vancouver East for the remarks he made on that subject this afternoon.

I just wish to add, in passing, that I thank the hon. member for Oxford (Mr. Nesbitt) for the gracious manner in which he withdrew his reference to an employee of Central Mortgage and Housing Corporation, made at a time when he was obviously misinformed as to the qualifications and the employment of that employee.

The hon. member for Winnipeg North Centre (Mr. Knowles) made a quite substantial contribution to this debate, within the confines of the socialist philosophy.

Mr. Knowles: That makes it a really worthwhile contribution.

Mr. Winters: The government, however, believes in making it possible for private enterprise to do as much of the job as possible and then—and only then—for the state to participate. The hon. member suggested that the only possible solution for those in the middle and lower income groups is a low rental housing program, with an element of subsidy in it.

May I remind him, as I did the hon. member for York South, that this legislation exists and that there is subsidized low rental housing in Canada. I am sure that the hon. member for Winnipeg North Centre would be the first to agree that local participation is necessary. The federal government participates, as he well knows, to the extent of 75 per cent of the capital cost, and operating losses, looking to the province and/or the municipality for the remaining 25 per cent.

The hon. member will recall that a project of some 800 units in the city of Winnipeg was placed before the ratepayers last October. I would agree with him that there is need for such a project in Winnipeg; but the ratepayers decided otherwise.

All through this debate there have been inferences that the federal government can do anything in the field of housing. We have listened to some hon. members ask for lower standards of housing. We have listened to other hon. members say that the housing program is entirely too small, and that the federal government should build twice as many houses.

I would remind hon. members again—and I refer to the splendid speech made this afternoon by the hon. member for Parkdale (Mr. Hunter)—that whereas stimulation and assistance for housing can come from the federal government, in the final analysis it is the municipality which decides the amount of housing to be built.

Then, the hon. member for Bow River (Mr. Johnston) expressed the views of the Social Credit party. The hon. member brought to my attention a clause in the mortgage deed to create remedies upon default at the end of one month. The member goes on to imply that at the end of that time the owner loses all equity in his home. Let me remind him that the equity of redemption is not automatically lost by virtue of a clause in the contract. Action must be taken in the courts. It is the invariable practice of our judges to do everything in their power to protect the owner's equity of redemption.

The hon. member suggested that we make money available to municipalities and they in turn lend it to home owners. This seems to be a variation of the suggestions of socialist members who wish Central Mortgage to provide money directly to all home owners. I would remind the hon. member for Bow River that immediately after world war I exactly what he proposes was done by the federal government in lending $25 million to municipalities in Canada, with a guarantee by provincial governments. The results, which are a matter of record, were far from happy.

The hon. member for Broadview made what I believe was an extraordinary speech. He is not in the house this evening, and I am sorry for that. I hope that later on he will be here when we have an opportunity of expressing our views on this measure. Twice during the course of his remarks he termed this legislation a gigantic bluff. Then he went on to say, among other things, that there is no indication that there is going to be any more mortgage money available than is available at the present time. I think I should perhaps remind the hon. member that the purpose of authorizing the banks to extend insured loans is to make more mortgage money available. The hon. member suggested that we will all agree that the cheapest house that can be bought today, financed under the National Housing Act, is one costing $10,000. He then went on to indicate the income requirements to carry the mortgage on such a house.

I have just checked with Central Mortgage, who tell me that in 1953 approximately 25 per cent of the houses for home ownership were below $10,000 in cost. He took the example of a $10,000 house, and gave the impression that anybody with an income of less than $3,860 a year need not apply for a loan under the National Housing Act.

Mr. Speaker, some houses during the past year were built for $8,600 under the National Housing Act, which when applying the 23 per cent formula can be acquired by an individual with an income of $2,600 a year.

In dealing with ratio of debt service to income he suggested that the individual be allowed to spend more than 23 per cent of his income on the carrying charges on his home. There is nothing to prevent that happening.

The hon. member for Broadview has apparently been somewhat mixed on this subject. The point at issue is an opinion of mortgage lenders, not only Central Mortgage and Housing Corporation. The mortgage risk becomes undesirable when there is a mandatory debt service in excess of 23 per cent of the income of the borrower. It is merely a modern manifestation of the old rule that a man cannot normally afford a monthly rent of more than one week's pay. I think it would be doubtful kindness on the part of the government to ask anybody to carry more of a debt burden than he could normally afford.

The hon. member suggested further that Central Mortgage alter its building specifications to allow less costly types of construction. I would suggest to the hon. member that he have a good look at the building requirements of the city of Toronto, for example, and then come to his own conclusions as to whether much could be accomplished as a result of this suggestion. He also suggests that the amortization period should be lengthened to 30 years. If he will refer again to the bill, as I am sure he has done—and, Mr. Speaker, I am very pleased to see him in his seat now—he will see that for home ownership, loans may be made up to 30 years.

The hon. member for Regina City (Mr. Ellis) spoke of the Lowren Housing Company, to which I had occasion to refer earlier today. I pointed out that this project in Ottawa was made possible by loans under the limited dividend section of the act, which provides accommodation for people at reasonable rentals; and to the extent that housing is required in the city of Ottawa for families of lesser incomes within the facilities of section 35—that is section 35 of the old act—the federal-provincial arrangements are available to the province and the municipality, just as they are to the province of Quebec, to reply to the speech made by the hon. member for Three Rivers (Mr. Balcer) and earlier today by the hon. member for Quebec West (Mr. Dufresne).

The hon. member for Regina City said: "We are the only ones in the country to suggest subsidized housing." He then went on to say that the government chose to ignore the representations on the need for subsidized housing. I of course cannot agree with his statement because the federal government introduced section 35, which provides for subsidized housing. I am sure the hon. member does not wish to create the impression that provision for subsidized housing does not exist under the National Housing Act. As a matter of fact, it was we who suggested section 35 to the Saskatchewan government back in 1949. The main impression I gained from the speech made by the hon. member for Regina City was that he carried his philosophy to the point where he believes it is the sole responsibility of the federal government, on behalf of the taxpayers of Canada, to provide not only a home, but a brand new home for every Canadian, whether he wants it or not. That is an objective that I am sure would be viewed with great interest by the taxpayers, and especially the many who have already bought and paid for their homes. I venture to suggest that there are a number of hon. members in this chamber who have never built a house for themselves but are still adequately and comfortably housed, and I, Mr. Speaker, am one of them.

The hon. member for Calgary North (Mr. Harkness) opened his remarks by calling the legislation a delusion, a mockery and a snare. He concluded his remarks by saying that he could not see his way clear to vote against the bill. He referred to the requirement by Central Mortgage and Housing Corporation for houses of 1,150 and 1,200 square feet. No such requirement exists, Mr. Speaker. Houses are financed by Central Mortgage even below 800 square feet, always provided that room sizes meet standards. The hon. member says that he sees nothing in the world wrong, for example, with houses of 750 to 800 square feet. A man with a wife and four children might have a rather different view.

I now refer to the speech of the hon. member for Longueuil (Mr. Vincent), who also raised the question about whether or not the province of Quebec is eligible to participate under section 35. This is the section enabling the federal government and the provincial governments to participate under the 75-25 per cent partnership arrangement. I wish to assure him that Quebec will be welcomed into that arrangement at any time the government of Quebec sees fit to take such action.

The hon. member for Royal (Mr. Brooks) referred to the slum clearance provisions of the bill and asked whether they were available in the larger cities. The hon. member cited circumstances in a city which he left

unnamed, but which I presume to be Saint John, and asked whether the arrangements were available there. I refer to that simply to tell him—and I am sure he would be interested to know it—that conversations are under way with that city toward the clearance of substandard housing in the centre of the city. In fact, one of the undertakings now under discussion is the widening of Main street at the westerly approach to the new viaduct. The hon. member for Royal, I know, would join with me in welcoming the clearance of the unsatisfactory housing conditions in that area.

The hon. member for Saskatoon (Mr. Knight) said that this legislation will result in putting a larger number of people under a larger amount of debt over a longer period of time. Well, Mr. Speaker, that is exactly the end result of this legislation. There is not a single member who spoke in this debate who did not ask for just that. I have always said, and I wish to remind the house, that a low down payment is not an unmixed blessing. It adds to the debt burden, and the longer period of amortization simply increases the period over which the debt must be paid. But it does have the effect of enabling people with lower incomes to get a foothold toward the acquisition of new homes.

The hon. member for Nanaimo (Mr. Cameron) said that the legislation was a cruel hoax. I presume he will vote against it, although his party expressed themselves as being for the legislation.

I would refer to the speech made by the honourable and gracious member for York-Humber (Miss Aitken). It was her maiden speech in the house and I wish to congratulate her on her effort. She said that no government should debar anybody from getting a house, and with that of course I agree. This government does not seek to debar anybody. This is enabling legislation designed to help people to acquire houses. And, Mr. Speaker, I do not recall many, if any, instances, in the hon. member's constituency where credit-worthy borrowers have not received loans.

The hon. member for Middlesex East (Mr. White) was unique in saying that the legislation was generally satisfactory. Then we come to the speech of the hon. member for Greenwood (Mr. Macdonnell) and sure enough he again said that the government is probably doing the right thing, but doing it in the wrong way. He said it twice, but most pointedly at page 1419 of *Hansard*, where he remarked:

> Everybody has to approve of that, but of course it is possible to do the right thing in the wrong way . . .

He then expressed his great haunting fear of bureaucracy, his fear that we were by this legislation giving Central Mortgage and Housing Corporation too much power under the terms of the regulations. Well, Mr. Speaker, nobody likes a bureaucracy. But I do not think parliament would take very kindly to Central Mortgage and Housing Corporation failing to implement the specific wishes of parliament. It is the government's intention to take for Central Mortgage and Housing Corporation only the authorities necessary to give effect to the expressed wishes of parliament. For example, there is no use in specifying a 90 per cent loan with a 10 per cent down payment if the act is administered in such a way that lending institutions can make loans of a lesser amount and a higher down payment. There is no use in aiming at the lowest possible rate of interest if the act is so rigid as to require by legislation the charging of a higher rate than might otherwise be possible by regulation. There is no use in directing Central Mortgage and Housing Corporation to see to it that a given standard is maintained for new housing in Canada unless Central Mortgage and Housing is given the powers which enable it to achieve that result. I think Central Mortgage and Housing Corporation has been doing a splendid job in interpreting the government's wishes in the field of housing but it is not the government's intention to give Central Mortgage powers beyond those required to do their job.

The hon. member for Greenwood expressed some fear about Central Mortgage and Housing Corporation establishing the lending value. I thought I had dealt with that subject when I presented this legislation. The banks have no facilities for appraisal at the present moment. Moreover, it is considered by the government that Central Mortgage must be the agency to establish the lending value so as to ensure the maximum loan being made available. There has been no opposition from the banks and the life companies in this respect. The hon. member also branded this legislation as "state socialism" and said it left so little to be done by private enterprise.

I would like to generalize for a few moments, Mr. Speaker. Several hon. members have said that by insuring loans we would

be protecting the lending institutions and nobody else. But, Mr. Speaker, by insuring loans the government hopes to do two essential things: (1) to ensure a continual flow of mortgage money and (2) to safeguard Canada's banking system by guaranteeing the security, liquidity, and negotiability of insured mortgages. Our banking system in this country is regarded by Canadians and by the world as being sound, and we must take the steps that are necessary to maintain that confidence. This insurance is a guarantee to the banks, and the guarantee to the lending institutions. When hon. members say, as they have said, that this is a guarantee to the banks and to nobody else, I think they are making a mistake. The potential home owner who is seeking a mortgage loan under this act is almost certain to be at the same time a depositor in one of the chartered banks of Canada. It seems to me that when the government is guaranteeing mortgage loans it is guaranteeing that fundamental requirement of confidence in our banks. At the same time there is a guarantee of the deposits of people in all income groups who are able also by virtue of this insurance provision to obtain mortgage loans under this legislation. Our concern as a government is not to insure the banks and protect them against loss as such, but rather to insure the banking system generally and consequently the hundreds of thousands of Canadians who are depositors and entrust the bank with their savings.

The socialists fear this measure as "a sell-out to capitalist exploitation". That was the theme that ran through the speeches of hon. members in that group. The hon. member for Nanaimo, you will recall, Mr. Speaker, went so far as to brand it as a "cruel hoax". The Progressive Conservatives on the other hand, led by the hon. member for Greenwood, said this was state socialism. The member for Broadview said on January 22, as reported at page 1373 of *Hansard*:

> It seems to me that this is simply another example of this government's drift toward socialism, a government which is so fond of professing its adherence to the principles of free enterprise.

Then later on in the same speech, and as reported at the same page, he got a little bit mixed up and said this:

> It is guaranteeing the loans anyway, so it might as well go whole hog and make the mortgages available to the people who want them for the purpose of building houses.

Which is exactly what would be done under what they call state socialism.

With the C.C.F. on the one hand saying it is a sell-out to capital exploitation, and the Progressive Conservatives asserting it is state socialism, it seems to me, Mr. Speaker, that once again the Liberals have found the middle-of-the-road course, the moderate course, Mr. Speaker. I know this will appeal to the majority of Canadians as being the right one.

During the course of the debate we heard about the housing accomplishments in the United States which have been substantial; in Holland which are very creditable; and in Brazil which I know less about. These hon. members gave one the impression of extolling "in enthusiastic tone, all centuries but this and every country but his own". But the situation in the United States is worth thinking about. Housing there is very different from housing in Canada. In the border states conditions are somewhat similar to ours and the type of housing required is like ours. But when one gets south of the Mason-Dixon line, there are very few basements, far less heating is required; houses are less expensive; they are easier to erect; and different types of building material can be used. Therefore, when we attempt to compare the United States' effort directly with the Canadian effort, these factors must be considered. It was pointed out during the debate that the United States target for next year under President Eisenhower's proposed legislation is to be one million units. Our production in 1953 was about 105,000 starts. Their population is eleven times ours; their gross national product is over sixteen times ours; so if their effort were related directly to ours in terms of population their production would be 1,144,000 houses, and if measured in terms of gross national product would be 1,664,000 houses. In other words our effort in this country compares very favourably with the United States. It compares very favourably with any country in the world.

Now, Mr. Speaker, I would like for a moment to take a look at the bill in its entirety and I want to make it clear to the hon. member for Broadview, the hon. member for Calgary North, the hon. member for Nanaimo, and the hon. member for Regina City, and all these people who have said very harsh things about the bill, just what it is they are criticizing. I would remind hon. members that this bill contains the provisions that were in the other bill. The important change is in part I, which is the major change designed to improve the legislation.

Hon. members have said there is no change. Section 7 (1) (k) is a new section to facilitate

home extension. Section 14 is a re-enactment of the rental insurance with which hon. members are familiar and which has done so much to provide rental accommodation across this country. Section 16 is the limited dividend section under which Central Mortgage and Housing Corporation can and does make 90 per cent loans for a maximum of 50 years at the government borrowing rate of interest. Section 23 is the slum clearance section. Section 24 is the home improvement and home extension loans section. Section 36 is the re-enactment of old section 35, the federal-provincial partnership section. Section 38 is the defence workers section. Section 40 is the direct loans section. In reply to my friends the hon. member for Nipissing (Mr. Garland) and the hon. member for Peterborough (Mr. Fraser), I can now give them the assurance that the direct loans provision will, if parliament wishes, be re-enacted. The direct loans provision has resulted in some 6,750 home ownership loans in over 800 communities in Canada since it was enacted a few years ago.

Then we have part V of the act which was put on the statute books by parliament and which is for the purpose of housing research and community planning. The purpose of that section of the act is to raise the standard of housing in Canada. I point out that part, Mr. Speaker, because during the debate so many hon. members demanded that the government permit Central Mortgage and Housing Corporation and house builders generally to build a lower standard of house than parliament has directed it to allow. The hon. member for Broadview terms this a gigantic bluff. The hon. member for Calgary North calls it a delusion, a mockery and a snare. The hon. member for Regina City terms it a bitter disappointment to which he is opposed, containing as it does subsidies sections which he loves so dearly. The hon. member for Nanaimo terms it a cruel hoax. In doing so, they must remember that they were referring to the whole bill and not just any one part of it. When they say they oppose the measure, I would point out that they are opposing those sections of the measure which seem to harmonize so closely with their own often-expressed philosophy. I presume that, when they vote against the measure, they will be prepared to bear the consequences of their vote. When the hon. member for Broadview was speaking and termed as a gigantic bluff legislation which is designed to improve upon legislation which last year achieved in this country a record of about 105,000 starts, one must wonder what language he would have used to refer to the 20,000-house effort in 1933 under a Conservative government.

[Mr. Winters.]

Mr. Speaker, I think it is well to remind ourselves again just what this legislation has done and what might be expected from this improved legislation. Stimulated by the various provisions of the legislation, Canadians, under Liberal governments, have built over 730,000 houses since the middle of 1945 and established a new record of about 105,000 starts in 1953. In its present form the bill is designed to produce still better results. It represents the best efforts of Central Mortgage and Housing Corporation and other government departments, the lending institutions and the banks, who have worked together well, long and hard in order to produce a mutually satisfactory arrangement that will work. I am sure that these people would not take too kindly to statements that they were participating in a gigantic bluff, a snare, a mockery, a delusion or a cruel hoax.

Mr. Fleming: Mr. Speaker, I do not want to interrupt the minister but, before he concludes his address, would he allow me to ask him a question at a convenient point?

Mr. Winters: Go ahead.

Mr. Fleming: This is what I want to ask the minister. He has not yet mentioned the question of interest. I wonder whether he can add anything to what he said, when speaking on second reading a week ago, about the interest rate? Has there been any development in negotiations since then? The second point is this. Will it be understood that the banking and commerce committee will have a free hand to make in the legislation whatever changes commend themselves to the committee?

Mr. Winters: Mr. Speaker, as the hon. member well knows, the committee is the master of its own destinies. I would hope that it will give to all members full opportunity to express their views and to make them clear to all witnesses. I can add nothing to what I have already said about the interest rate, which, under the legislation, is to be established by regulation. There is still no legislation, so there cannot be regulations; and I am unable to tell the house what the interest rate will be.

Mr. Fleming: I was referring to the negotiations that are going on. Can the minister tell us anything further about them?

Mr. Sinclair: Sit down. You have had your say.

Mr. Fleming: Mr. Speaker, I did not ask the permission of the Minister of Fisheries (Mr. Sinclair) to ask a question. I asked the permission of the Minister of Public Works (Mr. Winters).

Mr. Speaker: Order. I saw that the hon. member was seeking, from the minister who had the floor, permission to ask another question but the minister did not take his seat, thereby indicating to the hon. member that he was not accepting this question. I think the minister has the floor and should carry on.

Mr. Fleming: Without interruption by the Minister of Fisheries.

Mr. Sinclair: Do not lose your temper again.

Mr. Winters: In conclusion, Mr. Speaker, may I say that this bill may fall short of our expectations. I do not think so; at the same time it may exceed our expectations. I hope so. We do not guarantee infallibility in its administration. However, I can assure the house that this is an honest effort to make it easier for Canadians of moderate incomes to build homes. It is a sincere attempt to further the government's efforts —and I refer again to the title of the bill— to promote the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions.

Mr. Speaker, I heard no clear expression of attitude toward this legislation from the members of the Progressive Conservative opposition. The hon. member for Broadview termed the entire legislation—including the slum clearance section, the limited dividend provision, the federal-provincial agreement provisions and all others—a gigantic bluff. The hon. member for Calgary North termed it a snare, a mockery and a delusion. The hon. member for Regina City called it a bitter disappointment. In view of the fact that they have used those terms and because other hon. members have said similar things about this legislation—legislation which I consider to be more comprehensive and all embracing than any similar act enacted by any other sovereign parliament in the world, I think we should know just where hon. members stand. I would therefore ask you, Mr. Speaker, if you would be kind enough, when putting the vote, to call for the yeas and the nays.

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

YEAS

Messrs:

Adamson
Aitken, Miss
Anderson
Applewhaite
Argue
Arsenault
Ashbourne
Balcer
Balcom
Barnett
Batten
Bell
Bertrand
Blackmore
Blair
Boisvert
Boivin
Bourget
Bourque
Breton
Brisson
Brooks
Brown (Brantford)
Brown (Essex West)
Bruneau
Bryson
Buchanan
Byrne
Campbell
Campney
Cardiff
Cardin
Caron
Carter
Castleden
Cavers
Charlton
Chevrier
Churchill
Claxton
Cloutier
Coldwell
Cote
Crestohl
Croll
Dechene
Demers
Deschatelets
Deslieres
Dickey
Dinsdale
Drew
Dumas
Ellis
Enfield
Eyre
Fair
Fairclough, Mrs.
Fairey
Ferguson
Fleming
Fontaine
Fraser (Peterborough)
Fraser (St. John's East)
Fulton
Garland
Garson
Gauthier (Portneuf)
Gillis
Gingras
Gingues
Goode
Gourd (Chapleau)
Green
Habel
Hahn
Hamilton
Hanna
Hansell
Hardie
Harkness
Harris
Harrison
Henderson
Henry
Hollingworth
Holowach
Houck
Howe (Wellington-Huron)
Huffman
James
Johnson (Kindersley)
Johnston (Bow River)
Jones
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Knight
Knowles
LaCroix
Lafontaine
Lapointe
Leduc
Lefrançois
Legare
Lennard
Lesage
Low
Lusby
Macdonnell
MacDougall
MacEachen
MacInnis
MacKenzie
MacLean
Macnaughton
McCubbin
McCullough (Moose Mountain)
McGregor
McIvor
McMillan
McWilliam
Maltais
Mang
Masse
Meunier
Mitchell (Sudbury)
Monette
Montgomery
Murphy (Lambton West)
Murphy (Westmorland)
Nicholson
Noseworthy
Nowlan
Pearkes
Perron
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Regier
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Bruce)
Robinson (Simcoe East)
Ross
Rowe
St. Laurent

Simmons	Valois
Sinclair	Viau
Small	Villeneuve
Smith	Weaver
Stanton	Weir
Starr	Weselak
Stewart (Winnipeg North)	White (Hastings-Frontenac)
Stick	White (Waterloo South)
Stuart (Charlotte)	Winch
Studer	Winters
Trainor	Wood
Tucker	Zaplitny—186.
Tustin	

NAYS

Messrs:

Cameron (Nanaimo) Thatcher—2.

Bill read the second time and referred to the standing committee on banking and commerce.

BUSINESS OF THE HOUSE

Mr. Harris: I think it is the unanimous opinion of the house, Mr. Speaker, that tomorrow we should discuss external affairs. For that purpose, we have devised a procedure which will be of this nature. After the orders of the day have been called sufficiently that hon. members have put all their questions which precede that order, the motion will be made that the house do now adjourn. By consent that motion will be debatable, and will be withdrawn when the debate is concluded so that there will be no vote on it. It will supersede the five o'clock interruption, in case the debate continues past that hour. If it is not concluded by ten o'clock, the house will adjourn as usual and the debate will automatically end at that time.

If, however, the debate ends before ten o'clock we shall proceed with the consideration of the Criminal Code in the committee of the whole.

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

HOUSE OF COMMONS

Friday, January 29, 1954

The house met at 2.30 p.m.

HOUSE OF COMMONS

Mr. Speaker presented the first report of the special committee on procedure.

Mr. W. G. Weir (Portage-Neepawa) moved that the report be concurred in.

Motion agreed to.

THE PRIME MINISTER

STATEMENT AS TO PROPOSED TRIP

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I understood yesterday that I might have today the unanimous consent of the house to make a short statement about the trip to Europe and Asia upon which I am about to set out and the reasons which induced me to undertake to make that trip. I propose to leave from Ottawa on Thursday afternoon, February 4, and to be back in Ottawa on March 17. During the several weeks that I shall be away my colleague the Minister of Trade and Commerce (Mr. Howe) will be Acting Prime Minister.

I do not need to remind anyone that as Canada has developed in the past fifteen years, and as the nations of the world have become more and more dependent upon one another, the extent of the relations of this country, not only with our immediate neighbours and with other members of the commonwealth, but with all countries, has increased at an astonishing rate. You will recall that it was as recently as 1926 that Canada named her first diplomatic representative abroad. In the intervening twenty-seven years we have established diplomatic relations with over forty countries. In addition, through our contribution in two world wars, our membership in the League of Nations, the United Nations, the North Atlantic Treaty Organization, and our close association with the other members of the commonwealth, we have come to play an even larger role in the councils of the world. Our external policy has acquired a growing importance in the thinking of our people, and the importance of external relations has been reflected in the debates in the house and in practically all aspects of the activities of those who are charged with the responsibilities of government. I think that fact is well illustrated by the fact that later today the unanimous consent of the house is expected to be given to a rather extraordinary debate upon external affairs.

An indication of Canada's increasing place in international affairs is to be seen also in the number of recent official visits paid to us here in Ottawa. Since the war, in addition to the royal visit of our gracious Sovereign and her consort, before her accession to the throne, we have been honoured by visits from such distinguished commonwealth leaders as Sir Winston Churchill, Mr. Nehru, the late Liaquat Ali Kahn, Mr. Attlee, Mr. Menzies and Mr. Holland. Prominent visitors from other lands have included the former president of France, Mr. Vincent Auriol; the chancellor of Germany, Mr. Konrad Adenauer; the former prime minister of Italy, Mr. de Gasperi; Crown Prince Akihito of Japan; the former president of the United States, Mr. Truman; and, at the beginning of this session of our new parliament, President Eisenhower. It is partly with a view to repaying some of these courtesies that I am making this tour.

Another purpose of my journey is to see for myself the conditions existing in other parts of the world and to assure the governments of those countries of the sincerity of our desire to co-operate with them in our own interests as well as in theirs. I am sure you will agree that it is important for us as Canadians to understand these conditions abroad and to have our own conditions understood abroad in order that we may all try to adopt the best course in our relations with each other.

Of course I do not feel that I should be absent from Canada for too long a period, especially while parliament is in session, and it will not be possible for me to make a long stay in any one country; but this is no doubt the most appropriate season to visit the East. By taking advantage of air travel I will try to make the best possible use of what time will be available. From the conversations I will have with the leaders of many countries I shall visit, I hope that I shall be able to bring back with me and also to leave behind not only useful information but perhaps a clearer picture of the problems which all of us have to face together.

Prime Minister's World Tour

I have wanted for some time to visit Australia and New Zealand, both because I should like to see those sister countries of the commonwealth with which our relations have become so close, and also because we have recently been honoured by the visit of their prime ministers. The time available, however, would have been regrettably short and my visit to Australia would have taken place at a time when Her Majesty the Queen will still be in that country. I therefore proposed to the prime ministers of Australia and New Zealand, for that reason—and I can assure the house that it is for that reason alone—that my visit to their countries be postponed, and to this they kindly agreed. But I sincerely hope that such a visit may be arranged in the not too distant future. In fact, you know, it is not very much more difficult to go by air from this continent to Australia and New Zealand than it is to go there by air from Tokyo, from which point it had been originally planned that I would set off to visit Australia and New Zealand.

Europe, which I shall visit during the first part of my tour, is faced at present with a decision of great importance. Our own future may be quite largely influenced by its outcome. The presence of our soldiers and our airmen over there is an indication of our interest in the maintenance of some efficient method of collective protection against aggression, and I think all members will feel that this method is apt to be all the more efficient if we can all participate in it.

But the main purpose of my tour is a visit to Asia. That vast continent, which contains in fact well over half the world's population, was once a vague and rather romantic concept far over the horizon for most of us in this part of the world. Today we are vitally concerned with what happens in Asia. This concern arises both from our membership in the United Nations and from our membership in the commonwealth which now includes three important Asian countries, India, Pakistan and Ceylon.

We have joined with other members of the United Nations in helping to repel aggression in Korea. Only a few months ago our troops were engaged in actual and violent fighting, which I trust will not be renewed. I look forward to visiting these troops during my brief stay in Korea and to bringing them greetings from all Canadians.

Our interest in Asia has also been increased as a result of the desire of our people to assist our Asian friends to improve their social and economic conditions. For several years we have been contributing quite substantially to United Nations efforts in this field, and for the past three years we have also been spending more than $25 million a year for this purpose through the Colombo plan. These facts give some indication of how important Asia has become in our lives. Decisions taken there, and the welfare and happiness of these peoples, have become of real concern to us.

Canada, I think, has welcomed the opportunity to share in the encouragement of freedom and economic improvement in Asia because we realize the importance of maintaining good relations between the western world and the hundreds of millions of our fellow men in these ancient nations of Asia. I feel that we can maintain good relations with them only as long as we treat them on terms of complete equality, with respect for their older and perhaps somewhat less materialistic culture and achievements, and in a spirit of genuine understanding and co-operation. We must deal with them in the realization that while we may seem to have much to give they too have a very important contribution to make to the general welfare of the world.

Wherever my travels take me I know that my fellow Canadians will want me to bear their greetings and to assure our friends that we do want to play our part in the cause of peace, freedom and social justice, in our own interest as well as in theirs. I shall be travelling in an R.C.A.F. plane directed by Group Captain J. G. Stevenson and Wing Commander H. A. Morrison. In addition to the ordinary crew made up of personnel of the R.C.A.F., they will be accompanied by Sub-inspector P. J. Vaucher of the R.C.M.P. as security officer. My own party will be made up of Mr. W. Ross Martin of the privy council office and Mr. Charles A. Ritchie and Mr. D. M. Cornett of the Department of External Affairs.

It was decided just a day or two ago that Dr. Davey of the Department of National Health and Welfare would accompany us for a twofold purpose, any medical assistance that any of us might require and also to see for himself as the chief medical adviser of the department to Canadians travelling to the East just what the conditions about which he is advising really are. For our clerical work we will have Miss Perron of my office and Miss Monet of the Department of External Affairs. My confidential messenger, Alderic Groslouis, is also coming along to assist.

A seat on the plane is being made available to a representative of the Canadian Press, and Mr. William Stewart has been selected as that representative. A seat is also being made available to one of my sons and one of my daughters who want to make sure that I will take good care of myself

while I am away. Of course it goes without saying that the expenses occasioned by the presence with the party of the representative of the Canadian Press and my son and daughter will be taken care of by each of them for himself or herself.

To meet requests of the press, and there have been a lot of them, my office put out a pretty full and detailed statement, I thought, of all the stops and visits that I would be making from the time I left Ottawa until the time I returned. I do not think it would be fair to the house to impose on it the reading of that list. It has been pretty fully summarized in the press. I am sure most hon. members have seen it, and although they may not have thought that it was necessary for them to pay much attention to it they will have noticed that arrangements have been made for me to meet a great many interesting persons. I hope that when I return I can expect unanimous consent to make a report of my trip to the house.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, the Prime Minister can be well assured that when he visits the many countries included in his itinerary he will be carrying greetings from all members of the house and from all the people of Canada to the lands which he visits. As he has said, understanding, a feeling of co-operation and a deep and close interest in the countries of Asia are today an essential part of the building of the kind of free world in which we all believe. Naturally the first concern of all of us will be the development of any closer and more effective association which may be established with the nations of the commonwealth that are found in Asia at this time. It seems to me that this has a significance far beyond the deep and important association that exists generally throughout the commonwealth.

This is the first time in all history that nations free to make their own choice have joined in a world-wide fellowship such as the commonwealth of nations is today. Anything that the Prime Minister of Canada or any Canadian can do to encourage, strengthen and foster the unity of purpose of India, Pakistan, Ceylon and the other nations and areas throughout the commonwealth will in itself be contributing to the advancement of the greatest international experiment that has ever been carried out successfully in the history of the world. Therefore, carrying a message of greeting and good will from this parliament and from Canada to all the nations he visits, undoubtedly this will have a special significance to those countries with a common concept of justice and with a similar parliamentary system. With what the Prime Minister (Mr. St. Laurent) has said about the importance of Canada in world affairs today, I am sure there will be general agreement. There will be complete agreement also with the desirability of extending our contacts.

I would have hoped, and may I even still express the hope, that in addition to a representative of the Department of National Health and Welfare there would be a representative of the Department of Trade and Commerce, at a time when trade is so vital to the prosperity and security of this country. I do not know what the actual details are, but I should think at this time nothing could be more important than to carry, hand in hand with the message of good will, and the greetings that are extended, a clear indication, which could be expressed by a skilled representative of that department, of the importance of trade. Such a representative, through the many contacts, could also have sought those wider associations which mean so much in the sterling area and the countries associated with it. But that is something that must essentially be decided by the arrangements that can be made.

I would be less than frank if I did not express my regret that the press is not going to be more widely represented. I recognize that the whole press gallery cannot travel on this trip, but I would have hoped that through some system of choice, by lot or some other system perhaps best known to the press gallery, the decision might be made to choose those who could have given a wider representation. I say this because it does seem to me that one of the very important aspects of this trip is not only the message we convey to other countries through the visit of the Prime Minister and those associated with him, but also the information we receive about the views expressed in those different countries and the impressions that would help us in our own deliberations. The feeling of intimacy is made more real than when impressions are conveyed by more than one mind and one typewriter, no matter how highly qualified or highly regarded the individual may be.

These are thoughts that I place before the Prime Minister in the event that there may be a reconsideration of that decision. I feel that the wider the interpretation which can be placed before the people of Canada of the impressions that are gained, and the nature of the fellowship which is found to

exist, the greater will be the contribution to the wider understanding we are all seeking to establish. I leave these thoughts with the Prime Minister. I feel sure that I am expressing not only my own sentiments but those of all members when I wish him success in the undertaking, Godspeed, happy landings and safe return.

Mr. M. J. Coldwell (Rosetown-Biggar): With the last words of the Leader of the Opposition (Mr. Drew), Mr. Speaker, I am sure all members will concur. I like to think of the Prime Minister (Mr. St. Laurent) going on this tour, not as a salesman for Canada's produce but rather as an ambassador of good will. I think that if trade were the aim of the tour, then the Minister of Trade and Commerce (Mr. Howe) would be the person to make the trip. We all join in expressing to the Prime Minister our best wishes for a safe journey, for the establishment of more intimate and friendly relations with the other members of the commonwealth, and indeed with all the various countries he will visit. I am sure when he returns he will be able to tell this house and the country that he has met with a cordial and friendly reception everywhere.

I believe the people of Canada will be well served by the Prime Minister as their ambassador, not representing any party and not even in the capacity, shall I say, of our Prime Minister, but rather in the capacity of a Canadian ambassador of good will making a tour of the world.

Mr. Solon E. Low (Peace River): I believe I should first express thanks to the Prime Minister (Mr. St. Laurent), Mr. Speaker, for taking the house so much into his confidence in letting us know as much about his prospective journey as he has. I think it is very important, and it is commendable of him to do so at this time.

May I say in the second place that he does indeed carry with him the good will of the whole house; I am satisfied of that. I am speaking more particularly for my own group, as others have spoken for theirs. I assure him he does carry with him our good will, and we want him to convey that for us to the countries he will visit. I want to assure the Prime Minister also that our hopes for the complete success of his journey go with him, and for the fulfilment of the purpose for which this journey is being undertaken. Our prayers go with him for his safe passage there, and his return.

I want him to know that we will look forward with pleasure to his return when he again takes his seat in this house.

Mr. Daniel McIvor (Fort William): I should like to ask the Prime Minister (Mr. St. Laurent) a question. After visiting these many countries and seeing their distress, and being somewhat weary coming home, would it not be a fine finish to this trip if he could have had the physical and mentally refreshing uplift of dropping down to visit that happy green island?

NAVIGABLE WATERS PROTECTION ACT

PROPOSED AMENDMENT TO ENLARGE SCOPE

Mr. A. M. Campbell (The Battlefords) moved for leave to introduce Bill No. 175, to amend the Navigable Waters Protection Act (protection of rivers).

Some hon. Members: Explain.

Mr. Campbell: The only change concerned is the insertion in section 18 of the words "or other industrial plant", as underlined on the opposite page of the bill. It merely enlarges the scope of the original act.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

SURVEY OF WORLD AFFAIRS—MOTION FOR ADJOURNMENT

Hon. L. B. Pearson (Secretary of State for External Affairs) moved:

That this house do now adjourn.

He said: Mr. Speaker, this motion is for the purpose of making it possible to have in the house a discussion on external affairs. This is the first opportunity the house has had for such a discussion at this session, and I am sure I will be expressing the views of hon. members if I begin by saying that on this occasion we will miss especially the presence of the late member for Peel (Mr. Graydon), whose constructive criticism and knowledge of international affairs has always added so much to our discussions of this subject in the past. We shall miss his contribution to the debate, as we still miss his friendly and happy personality in this house. Mr. Graydon had opponents in the house, but no enemies; and we shall long lament his loss.

Also I have a sad duty—and I hope it will not be inappropriate for me to refer to it at this time—to mention that our country has recently suffered another grievous loss, and I another close friend, in the passing of the undersecretary of state for external affairs, Mr. Hume Wrong. Of proud lineage and brilliant mind, with wise and honest judgment, Mr. Wrong had, beneath a shy, almost

austere exterior, a warm and generous spirit. I think I have been possibly in as good a position as anyone in the house to appreciate the quality and worth of his service to Canada over the years.

Then, Mr. Speaker, I would also like to mention with great regret that the foreign and indeed the public service of Canada suffered a third loss recently in the death of Mr. George Patterson, a member of our delegation to the recent United Nations assembly, and our consul general in Boston. Mr. Patterson was a quiet, sincere and dedicated man, whose whole life was devoted to the service of his fellow men, for many years in the Far East as an officer of the Y.M.C.A., and later in China as our representative there. Like that of Mr. Wrong and Mr. Graydon, Mr. Patterson's life was shortened by his refusal to recognize any limitations on the energy and hours he gave to his work.

We in Canada often, and quite rightly, refer with pride to the great natural resources of our country. But greater even is Canada in its human resources, when it has men like these three to serve it.

A pleasant task, Mr. Speaker, is now to extend, if I may, my good wishes to the hon. member for Prince Albert (Mr. Diefenbaker), as he takes over responsibility as critic for the official opposition in matters of external affairs. In a sense I suppose that makes him my opposite number. I know that he will not spare the government or me when he thinks we have done the wrong thing, or left undone the right thing. But I know also that he will find his work the more satisfying, as I do, because on the fundamental objectives of our foreign policy, as opposed to details and methods, there is a great and fortunate degree of unity on all sides of the house.

I propose today—and I am afraid even though I shall take probably longer than I should, I shall leave many subjects untouched—to make a general and, I fear, a somewhat discursive survey of international affairs. Some subjects I shall not attempt even to touch, because they will be dealt with, at least some of them, at a later time by my friend and colleague whom I am so happy to have as my parliamentary assistant, the hon. member for Chambly-Rouville (Mr. Pinard).

For instance, he will refer to the recent assembly of the United Nations at which, for most of the time, if I may say so, the Canadian delegation was led with such distinction and efficiency by the Postmaster General (Mr. Cote).

The reduction of tension in Europe—and I am going to talk about European affairs first—which began a year ago, and which was mentioned in this house about that time, has been maintained. Nevertheless, the menace of Soviet imperialism remains and foreign and defence policies of our country and other countries of the free world must continue to be based on this fact. And I suppose we should also not forget that if there has been improvement—and I think there has been—it is largely due to the increased strength and unity of the free world, especially within the Atlantic alliance.

In Europe two developments have occurred since I spoke last in the house on international affairs, which I think deserve special attention. In the first place there has been a change, whatever it may portend, in the attitude and in the tactics, if not in the foreign policy, of the Soviet union since the death of Joseph Stalin. There has been some indication in the past year of a trend away from the sterile rigidity of Stalinist policies both in domestic and in foreign affairs.

Among the more interesting Soviet internal developments have been the new emphasis on collective leadership in Moscow as opposed to personal dictatorship, and the modification of Stalin's denationalizing policy as applied to the non-Russian peoples of the Soviet union. And there has been a greater stressing, I think, in their governments of practical considerations, of technical efficiency, rather than of Marxist orthodoxy. However, the outstanding domestic development in the Soviet union during this period has been in economic policy, where a program of increased production of consumer goods has been given such wide publicity that the failure of the regime to carry out its promises in this respect would, I think, cause very great disappointment among the people, and possibly even some unrest.

Agriculture in Russia has received particular attention, with an apparent reliance on greater money rewards for the peasant as the best way now to get results. The communists have not of course retreated from the principle of collectivization, but the peasant's own plot now seems to have become again a respectable part of the system; whereas previously, in recent years, it was merely a reprehensible survival of capitalism.

As for Soviet external policy, it still presents a mixed pattern of some things that are hopeful and more that remain stubbornly discouraging. There have been some minor concessions and some reassuring words. However, I suggest that nothing in all this gives us cause to believe that basic Soviet objectives in foreign policy have changed, or that Soviet leaders are in fact ready to accept reasonable

solutions to major international problems. That is one reason why we are watching so closely the Berlin conference today.

The second European development which stands out in the last year is of course the remarkable, and to some people disturbing, recovery of West Germany. While this process has been under way for some time, both in the economic and the political field, the decisive electoral victory of Chancellor Adenauer last September drew special attention to the progress and the stability of the West German republic. The people of the Soviet zone of Germany, where an election such as that would never have been permitted by the occupation authorities, nevertheless managed to show their own will for freedom during June of 1953 in courageous demonstrations against the communist regime, and by so doing they exposed once and for all the hollowness of the claim that the Soviet puppet regime could speak for them at home or before the world. And that fact, Mr. Speaker, is worth keeping in mind, particularly at this moment. The Soviet delegation at the Berlin conference may once again pretend that Germany can be united in an all-German government, formed not by free elections but by merging the present east and west German governments. Well, we all know what happened to democracy in Poland and Czechoslovakia when Russian communist agents were allowed to share governmental responsibility with genuine democrats. It would be deplorable if that tragic error were repeated in Germany.

There is of course a reverse side to this medal. The very qualities of energy and discipline which have served the west Germans so well and resulted in their new strength are beginning to arouse concern among some old friends of ours who are also old neighbours of theirs, and it is easy for anyone whose knowledge of European history goes back beyond the last two or three years to understand this concern. Europe is no longer simply an east and a west, with a void left in the centre by the total collapse of Germany in 1945. Once again there is a centre. We have therefore not only the continuing danger of Soviet imperialism; there is also fear of what many Europeans and others who remember 1914 and 1939 regard as the reviving danger of German ambition and German armed strength. I think we can understand this fear without agreeing with the conclusions which are sometimes drawn from it. But let us assume that there is a basis for it, a reality to the fear. What then is the best method of removing it, to restrain a rearmed and perhaps a reunited Germany from aggression again?

[Mr. Pearson.]

Well, one method of controlling the menace of German aggressive expansion is the old unhappy one, by which the west joined with the east against an independent armed Germany in central Europe. Neither in 1914 nor in 1939 was such an alliance effective in preventing war, though that alliance later contributed enormously to Germany's defeat and punishment. The second method, which is new, and not yet tried, is to bring Germany into an alliance of west and central Europe against aggression, an alliance in which European unity can develop for other than defence purposes. And we have that, Mr. Speaker, in the European defence community.

The Canadian government has already expressed its support for EDC as a method for associating Germany with the European system and with the Atlantic community. Surely the harnessing of German rearmament to a defensive collective purpose would provide the best security for all, east as well as west, from the possible danger that Germany, isolated and with renewed strength in central Europe, might once again play off east against west and eventually be tempted once more to follow the old policy of defeat and attack, subdue and occupy.

I do not think myself that a solution of this European problem, which is also an Atlantic problem and therefore a Canadian problem, can be found in Germany's disarmament and neutralization, or indeed in Germany's rearmament and neutralization. That solution might of course and indeed does appeal to the communists for obvious reasons. It would mean the exclusion of Germany from the developing European system, and it would release her from any responsibility for sharing in collective defence against aggression. In any event, as I see it, such a solution, even if it were desirable—and it certainly has its appeal—is simply not practicable. Surely it is unrealistic to base any permanent policy on the disarmament, the control and the neutralization of 65 million Germans inside their present boundaries. Surely it is better to bind Germany, not only to the rest of Europe, but to the Atlantic community. I know it will be argued that the Russians and their satellites will simply never agree to this, and therefore will never agree to any unification of Germany on these terms. Nevertheless, this is the policy that has been accepted as best and wisest in the present circumstances by the German republic, the United States, the United Kingdom and France, by ourselves and by many other countries. It would, I think, be a great misfortune if it were abandoned now.

The establishment of the European defence community is the best and quickest way of

implementing this policy. It is the only proposal now under consideration, and it came originally, we should not forget, from France itself.

But it is not, of course, the only way it could be done. West Germany could, for instance, be permitted to rearm as a member of NATO. She could also rearm outside NATO but in treaty relationship with NATO countries. But not many of those who oppose EDC would support either of these courses as a preferable solution to the problem. The EDC could be altered into an arrangement of co-operating national armies instead of a consolidated supranational European army. This weaker form of EDC could then be brought into association with a stronger, and more unified, NATO, which would have greater collective control over the national defence budgets and policies of its members. But there are also objections to this idea and it is unlikely that it would secure greater support than the present EDC proposal. However it is to be done, close and organic association with a free, strong and cohesive international community, European and Atlantic in character, with membership in the United Nations, provides I think the best guarantee that the military strength of a revived Germany will be used only for defensive purposes.

There is one thing we can be sure of. The communists will use these German and European questions as they use every other opportunity to divide and weaken the free world coalition. If the situation seems to be a little less critical now the temptation is therefore the greater to relax and indulge in the costly luxury of quarrelling among ourselves. If we yield to that temptation too often we will soon dissipate the unity and strength that have been so patiently and effectively built up, especially since the establishment of NATO.

Personally I am more than ever convinced that the continuing cohesion of all the Atlantic powers, not merely the European powers, is vitally important to the preserving and reinforcing of the peace of the world and that no security and no stability can be achieved through isolated arrangements, either in North America or in Europe. Continentalism, whether of the European or American variety, is not enough for safety.

Because of this I feel that the essential steps which are required to bring about European unity can be taken only when there are also close and continuous lifelines across the channel and indeed across the Atlantic. One of the most heartening developments of the post-war period has been the building-up of those lines which are now I think, or at least I hope, strong enough to stand the strain, psychological and otherwise, on certain European countries of including Germany in our arrangements.

Obviously that inclusion must be brought about in such a way that the fears that come from the past will be replaced by new hope for a future where Germany will be only one country in a group that will embrace more than Germany and even more than Europe.

This question naturally leads to the consideration of the meeting between the foreign ministers of the four great powers going on at Berlin at the present time, a meeting which seems to have got down to business with a minimum of argument over the agenda. We can at least take some encouragement from that. It is to be hoped that this meeting will concentrate on the Austrian and German problems and that something constructive will come from it. It seems hard to understand that in 1954 Austria, one of Hitler's first victims, should still be occupied while other countries which were his accomplices have long since had their pre-war status restored by treaties.

As for Germany, we shall soon see whether or not the Soviet union is really prepared to allow its unification on acceptable terms, namely, under a government freely elected by the whole of the German people and with freedom to make its own political arrangements, within of course the framework of the United Nations charter. I think we can express a hope for some good results from this meeting, but we should not expect too much from it.

From even this cursory survey of European affairs it is clear that there are still numerous obstacles to be overcome before the security and prosperity of the free nations of the Atlantic community can be ensured. However, I think there has been a significant advance from the fear and instability of the immediate post-war period, and for that I suggest we ought to be grateful to NATO.

NATO's work, which I think has been pretty effective in this regard, is far from finished. Indeed it is just getting under way. It has taken time for the decisions taken and the plans approved to bear fruit, and their full impact has only recently begun to be felt. For the majority of NATO countries the proportion of the total output of their economy devoted to defence is only now reaching its peak. According to General Gruenther, the present supreme commander in Europe of NATO forces, the forces under his command have approximately doubled since 1951, and the gain in their effectiveness, in their

modernization and in their fighting efficiency is greater still. These NATO forces are now strong enough to make an aggressor think twice before taking them on.

But the Soviet and satellite forces are also being steadily increased in numbers and in effectiveness. That is why it is still important for the west not only to add a German contribution to the existing NATO strength but also to improve further NATO forces in equipment and in quality so that if the worst emergency should happen, these forces could act as a shield behind which the full strength of the member countries could rapidly be mobilized.

To complete this very short review of the work of NATO I should refer, if only for a moment, to the ministerial meeting of the council which was held in Paris in December last. I attended that meeting with my colleague, the Minister of National Defence (Mr. Claxton), and with our permanent representative to the council, Mr. Wilgress. I think the most significant discussions which took place in Paris at that time were those relating to the international situation as it affected the various NATO countries and with the question of future NATO defence planning.

At these discussions the members of the council spoke their minds very frankly and freely. I think by doing so we brought about a better understanding between the various countries, even though, at times, there was a difference between us on some things.

It was agreed at this council meeting that the NATO countries would continue to seek three basic objectives. First, not to let down our guard. Second, to promote at the same time our economic and social development and to strengthen our political unity. Third, to seek to negotiate with the Soviet union on outstanding differences whenever and wherever possible.

The broad lines of future NATO defence planning to meet the threat of aggression over an extended period were agreed to in Paris in December. Member countries should be prepared to maintain a high level of military preparedness. We felt, however, that it would be unrealistic to expect to build up and maintain further substantial increases in our collective forces for the long haul. Therefore, the plan is to see that the NATO forces which now exist and which will be strengthened are furnished with the most modern equipment possible, including new types of weapons; that they are given adequate support and are ready to go into action rapidly. Effective local defence of this kind, plus the certainty of swift and crushing retaliation, including atomic retaliation from the air, is the defence combination upon which we now rely to deter the aggressor.

The council had before it at this meeting a report of the annual review committee for 1953. On the basis of the recommendations of this report we agreed in Paris on our NATO force goals for the next three years. The figures for 1954 were firm commitments while those of 1955 and 1956 are provisional and for planning purposes only. Following the practice established at previous ministerial meetings, the council has released no precise figures, but I can say that the aggregate forces planned for the end of this year are to be a little larger in numbers—that is, collectively—and substantially better in quality than those now in existence.

There were other activities of the ministerial council and the permanent council in Paris, apart from those concerning defence, which I will not be able to go into at this time. They included how to bring about closer parliamentary association with NATO's work; how to correlate production programs in Europe; co-ordination of civil defence plans; the preparation of emergency plans; the study of information and cultural relations questions. These matters received little or no publicity but they are an increasingly important part of the process of keeping the North Atlantic alliance together, and they are in tune with the needs of our time.

I should now like to move across the world to the Far East and to say a few words about developments in Korea. Since I last spoke in the house on this subject an armistice agreement has been signed there which ended on acceptable terms more than three years of fighting by the United Nations in resisting the unprovoked aggression launched against the republic of Korea. With that aggression repelled, the military purpose of this great collective resort to armed force has been accomplished but, of course, only at a cost to our own forces, and great cost to those of the United States and those of Korea which bore the brunt of the struggle. We remember that cost as we talk about Korea today.

This armistice marked the end of the first step toward a peaceful settlement in Korea. The next step has been to try to convert that armistice into a peace settlement through the convening of a conference. The United Nations assembly, last summer and last autumn, long and carefully considered how that conference could be brought about. As a result, as most hon. members know, when the general assembly last summer closed at the end of August it had, by formal resolution, made provision for the United Nations side of the Korean political conference. These

decisions did not meet in full our own wishes but they were those of the United Nations and we accepted them and respected them as such. Moreover, we thought that those decisions, even though they were not perfect from our point of view, were good enough to provide a basis for a Korean political conference if the other side wanted such a conference.

Then, as hon. members will recall, last autumn discussions began at Panmunjom with the communist side in an effort to work out the details for this conference. Those discussions are theoretically still going on, although they have been suspended for the time being. As these discussions were taking place in December last they removed some of the pressure at the assembly, which was meeting then, from continuing its deliberations into January. As hon. members will recall, at that time a resolution was passed making provision for recall of the assembly if a majority of the members so desired if the president of the assembly, Madame Pandit,—who has been acting in that position with such skill and distinction—should decide that the time had come or should be asked by any member to recall the assembly. Such a request has now been made by the government of India. Our reply to that request has just been sent today to the Secretary General of the United Nations for transmission to the president. This reply was made after a great deal of consideration and exchange of views between ourselves and the Indian government, the British government, the United States government and other governments. Possibly I might put this reply on the record, Mr. Speaker. It is as follows:

> Please inform the secretary general as soon as possible that the Canadian government has given very sympathetic consideration to the request of the president of the general assembly that the present session be reconvened on February 9. The Canadian government appreciates the desire of the government of India to report to the United Nations general assembly on the discharge of its responsibilities as chairman and executive agent of the neutral nations repatriation commission in respect of the prisoners of war placed in its custody under the provisions of subparagraph 51 (b) of the Korean armistice agreement, but considers that in present circumstances it would be inadvisable to reconvene the general assembly for discussion of the general Korean question of which the assembly is seized. In the view of the Canadian government a session on this subject—
>
> That is on the general Korea question.
>
> —might more usefully be reconvened at a later date in March or April.

We took that position, Mr. Speaker, because of developments in Panmunjom where steps are now being taken to bring about a resumption of the talks, and we hope that these steps will be successful within the next few days; because of developments in Berlin where Far Eastern questions have been put on the agenda; and because we came to the conclusion, after the inquiries we made, that it would not be possible, if the session opened on February 9, to restrict its deliberations merely to the action of India and the neutral nations repatriation commission.

It should have been possible before now at Panmunjom to work out a satisfactory plan for the Korean political conference. Differences of viewpoint occurred at once, of course, as one would expect, between the negotiators from the two sides on this question. But on their face, none of those differences were impossible or even difficult of reconciliation. Indeed I think a solution might have been found if the communist representatives had not turned from negotiation to abuse, thus indicating that if their principals wanted a conference at all, they did not want one at that time. Hence the negotiations were suspended. As I have said, steps are being taken—which we hope will be successful—to bring about their resumption. The present situation in Korea is simply that there is no fighting, but there is no peace. Our servicemen in that area, while they remain at the alert, have for more than five months, however, been spared the tragic consequences of actual conflict. That is a blessing which we would all do well to remember.

One other issue out there has now been disposed of in the prisoners-of-war question. I do not need to go into details of that matter inasmuch as they will be familiar to most hon. members. We have taken the position as a government that the action of the United States commander in releasing and returning to civilian status the prisoners of war under his jurisdiction when they were returned to him by the neutral nations repatriation commission was not only legally correct but morally sound and quite consistent with the terms of the armistice agreement itself. It seems to us that no other course was open to the United Nations commander at that time. Our own position in regard to this matter has been, I think, quite clear and consistent from the beginning. We have not believed nor do we now believe that any prisoner should be compelled by force to return to what was once his homeland. The provisions of the commission's terms of reference were drafted to prohibit enforced repatriation, and those of us who took part in the long, complicated and difficult negotiations to that end will recall this very clearly. But that prohibition would have little meaning if the only alternative facing a prisoner was indefinite captivity. Therefore the terms of reference in the armistice agreement made

clear provision for the final release of prisoners to civilian status 120 days after their being placed in the custody of the commission. In the words of General Hull—

> The plain intent of paragraph 11 of the terms of reference is to prevent either party to the agreement from frustrating the basic purpose of avoiding indefinite captivity for the prisoners.

We subscribe to that position.

Of course if there had been a different attitude taken by the communist representatives on the neutral nations repatriation commission and by the communist side in Korea it would have been, I think, quite possible, almost easy, to have arranged for the examination of these prisoners in the time allotted for it, ninety days. It was understood by those who took part in these negotiations that the ninety days meant ninety consecutive days. However, after the first examinations took place, and when it was clear to the world that the great majority of the prisoners would rather go back to captivity than to go home under communist rule, this was such a terrific blow to the prestige of communism in the Far East that the communists themselves from that time forward did everything they could to prevent further examinations. That seems to me to be a simple and pretty obvious explanation of why the examination of prisoners broke down before the end of the ninety-day period.

But even if we solve these Korean questions they are only one aspect of the more fundamental question of relations with the Far East and with Asia generally. We should ask ourselves, as I am sure we do, and it is very much in our minds now with the forthcoming visit of the Prime Minister (Mr. St. Laurent) to that part of the world, what should be the basis of our policy as a government, as a country, towards what I think we can call now the new Asia. I suggest we would be wise to observe the following principles in our relations with these Asian states. We must not compromise with communist military aggression in Asia or in any other place. But while, I think, it is easy to be clear on that point, that does not mean that we should assume that every anti-colonial, nationalist or revolutionary movement in Asia is Russian communist in origin or direction any more than we should assume that, with patience and sympathy, every Asian communist leader can be turned into a Tito.

Secondly, I suggest that we must convince or try to convince the Asian peoples that democracy, our kind of democracy, free democracy, can do more for the individual than communist tyranny can ever hope to do. We can do this in many ways, by constructive policies in our own countries, by plans for mutual aid, and also by avoiding giving the impression that the western allies are, in the east, associated only with regimes and societies that do not meet the desire for change of the awakening masses of that part of the world. Our policy in Asia then, if this principle is correct, must be more than a policy merely of opposition to communism. It must be constructive, and anti-communism should not be the only claim to our assistance.

We should recognize, and I think we do recognize in this country, that social, national and economic forces are at work in Asia that would have erupted in disturbing ways if there had never been a communist revolution in Moscow. We cannot reverse these forces and we ignore them at our peril. Where communism has been able to take over these new forces, as in China, we should neither, I think, blind ourselves to the dangers of the situation by wishful thinking that this is merely an agrarian revolution, nor increase these dangers by rash and provocative policies. Furthermore, as I see it, by associating counter-revolution, which can develop indigenously as the whole history of China shows, with foreign intervention and foreign assistance we may strengthen rather than weaken communist regimes.

The fate of our world, Mr. Speaker, may be decided quite as much by the direction taken by the march of Asian millions as by the failure or success of the Kremlin's plans for communist imperial domination. Canada has a special obligation and a special opportunity in these matters as a member of the commonwealth of nations, for the commonwealth is now of Asia and Africa as well as of the western world. We can, I think, be happy that our relations with the other members of the commonwealth remain close and friendly though problems, especially economic and financial problems, exist to test our co-operation. I think these relations will be even closer and even more friendly as the result of the voyage of friendship, good will and exploration which our Prime Minister is beginning at the end of next week.

We can be happy, then, that our relations with the commonwealth members remain so close and so friendly. But there is another country with which our relations must also remain close and friendly, and that is our neighbour, the United States. We have a special responsibility here too, not only because these relations are so fundamental to our joint security and prosperity but also because the United States is the leader of

our free world coalition and is bearing the greatest share of the burden to maintain peace. These relations with the United States are becoming more and more important to both countries, and more varied and more complicated. That was inevitable, as the state of the world has changed, as our own progress towards economic and political strength has accelerated, and as we become more important in the scheme of things. Naturally, therefore these relations with the United States have become more important and more complicated for us. We should not be surprised or discouraged by that. We will work out these problems, these increasing problems —these problems of security against attack, security against subversion, of trade and communications, of border crossings—we will work them out with less difficulty if we keep constantly in mind how great our dependence is on each other for safety and prosperity, if we in Canada do not forget on our side the heavy burden of leadership and responsibility which the United States is carrying, and if our neighbours remember that partnership and co-operation are a two-way process and, above all—and this is a simple rule—if neither partner asks the other to do what it would not like to be asked to do itself.

One important specific problem at the moment in our relations with the United States which has been causing us a good deal of concern is that of the St. Lawrence seaway. As hon. members know, we have now reached a point where the only thing that stands in the way of the beginning of Canadian construction of that seaway is an appeal before the courts of the United States. We have just learned today that the court of appeals of the District of Columbia circuit court has delivered judgment on the appeal brought against the order of the federal power commission granting a licence to the power authority of the state of New York. The court has denied the appeal, and confirmed the order of the federal power commission. This removes the second last legal obstacle to the development of power in the international section which is an essential preliminary to the development of the seaway itself. That is the way in which we have, over the years, been able to settle our difficulties with our neighbour, and I am satisfied we will be able to settle them in the same friendly spirit in the days to come. We must certainly do our best to face and solve these complicated Canadian-United States questions, these neighbourly difficulties, with that minimum of bickering and maximum of good will which has been characteristic in this century of relations between the two countries.

If Canada and the United States cannot grow closer together in friendship, in mutual respect and in the understanding on which friendship must rest, there is not much chance for peace and stability in the rest of the world. But, Mr. Speaker, we can solve our problems with our neighbour in a reasonable manner, and there is somewhat more hope for peace and stability in the world than existed a year ago. We can take some comfort from this, as we face the numerous problems before us, and so long as we do not forget that the world still remains an unsafe place for the weak, the weary and the unwary.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish first to thank my hon. friend for the very kind personal reference made to me. I assure him that, at all times, I shall endeavour to follow out his admonition based on experience, that in matters of external affairs members of all parties are in agreement on the fundamentals. I want to say to the hon. member that is in keeping with the friendly attitude that was shown to me when I was one of the parliamentary observers at the United Nations conference in 1952, by him and the Minister of National Health and Welfare (Mr. Martin).

With him I am in full agreement that in the discussion of external affairs Mr. Graydon made a contribution that was effective, worthy and wise. He expressed himself in language that the average Canadian understood, and during his lifetime did his full part to bring about a better understanding among nations.

International affairs are in large measure the creation of events elsewhere in the world. When Mr. Graydon spoke for this party he never carried the hatchet of narrow partisanship but reserved to himself his constitutional right and duty of putting forward fair criticism. I intend to follow him in that course. A non-partisan policy on international affairs cannot be conducted on a one-way street. It demands the fullest information that the government has available, within the limits of security. We, in the opposition, have the right to be heard. When any major decisions are to be made, unless of immediate moment, I believe it would be well at all times that we in the opposition have the opportunity of expressing our views before a final decision is made. Otherwise our opinions are mere afterthought.

As I listened to the Prime Minister (Mr. St. Laurent) today referring to the trip he is about to embark upon, I could

not but think that knowledge of the problems everywhere in the world is valuable, if not a prerequisite to an informed discussion of world affairs. On his trip around the world, the Prime Minister will have the good wishes of the Canadian people as he speaks for Canada. While abroad representing this nation, he will indeed be Mr. Canada, and we ask him to convey to the peoples he will see in all parts of the world a parliamentary message of good will.

I believe travel would also be conducive to a better informed discussion in parliament of international affairs, if made available in larger measure to the members of this house. In Britain and in the United States, both parliament and congress recognize that. From time to time representatives of the United States foreign relations and foreign affairs committees have the opportunity of visiting various parts of the world where matters of importance are arising. Recently 25 representatives from the House of Lords and the House of Commons in Britain visited France and the other NATO countries. Before the Marshall plan was introduced in the United States, some 200 members of congress visited Europe.

I am not advocating joy junkets at the expense of the country. I am informed that most of these members pay their own expenses, in whole or in part, but they have available to them opportunities of travel through using air force facilities while aircraft are engaged on official or routine training trips. I would suggest that for the betterment of Canada, in order that our constituents may know more of the serious international problems with which we are faced, in the words of the minister, if the opportunity were given to the external affairs committee to visit various NATO countries each of these members would with full knowledge be able to impress their constituents with the sombre picture of world events as was placed before the house today by the minister. For after all, we must realize that if the most the minister can say is that tensions have lessened and that the fears and the possibility of immediate war have lifted, but that a sombre future remains, parliament and the Canadian people must realize that heavy expenditures for defence will continue for a long time ahead.

The minister has stressed the need of unity among the NATO nations. I think he conveyed the idea that unity even more than men was needed—unity in action and unity in objective. We need unity in objectives internationally among the Canadian people, for it is they who carry the load of taxation upon their shoulders which our defences demand.

[Mr. Diefenbaker.]

I shall endeavour to discharge my responsibilities as an opposition member in the discussion of foreign affairs in the manner set forth in the addendum to a report made in the United States committee on foreign relations in 1949.

It is the more important that our country's policy be right rather than bipartisan.

I prefer the word "non-partisan" instead.

Unity solely for the sake of unity may be disastrous. History is strewn with the wreckage of countries that were united but on the wrong course. Whenever the loyal opposition is silenced either by force or by its own failure to speak up, freedom is in danger.

The minister mentioned Hume Wrong in a well-deserved eulogy. I regard Mr. Hume Wrong as one whose contribution has meant much in raising the standard of Canada among the councils of the world. He served his country in war as in peace. Many of those who serve us in the field of diplomacy do so in an atmosphere of obscurity, if not anonymity. That was not Mr. Wrong's position; nevertheless often our people as a whole do not realize the importance of their service.

I was in Mexico recently. While there I had the privilege of an interview with the Hon. Luis Padilla Nervo, foreign minister of Mexico, a country that is on most friendly terms with Canada in large measure because of contributions made by men like Hume Wrong in his sphere. I might add that the contribution being made today by Mr. Jules Leger, Canada's ambassador to Mexico, is in keeping with the highest traditions of public service in foreign affairs.

Having said that, I am going to deal with a few of the changes to which the hon. member has made reference, and which indicate a recession in the aggression hitherto exhibited by the Soviet republic. We must look at the U.S.S.R. objectively. We may see red, but we must see objectively, fairly and clearly. We must not cynically turn down the proffered hand of peace, if it be that, although the minister gave no indication that he felt any assurance, in the current problems facing nations of the world, of any changed attitude on the part of the U.S.S.R. Neither dare we put away our defences.

Soviet objectives have not changed, if the events since 1945 are any indication. Tensions have lessened. The minister has stated that NATO is now so powerful that no nation dare attack it with impunity. In other words there is peace through strength which ultimately we hope, in the words of Madame Pandit, will achieve strength through peace.

The U.S.S.R. have resumed diplomatic talks. A conference of foreign ministers is

taking place in Berlin, the first in five or six years; whereas there were some six conferences in a period of four years immediately after the war. The anti-communist prisoners in Korea have been released, and there is no probability of a resumption of war there. I have no hesitation in saying that I believe the attitude taken in connection with the release of the prisoners of war a few days ago was the proper one, for humanity dictated that they be given an opportunity to declare themselves for freedom. In Europe thousands of German prisoners of war have been released. Visits to Moscow by businessmen and others are no longer being discouraged. We might call it a peace offensive. The U.S.S.R. is talking about the desirability of extending and expanding trade channels. Russia has agreed to discuss the question of atomic energy and atomic control.

But certainly nothing the minister said has indicated an assured change of heart by the Kremlin or, to use the words of one columnist, that the Russian bear had indeed become a panda. The Kremlin pattern of 30 years remains. Is it the proffered hand of peace, or is it a design on the part of the U.S.S.R. to divide the United Nations within the North Atlantic community, to defeat EDC, to separate France and possibly Italy from EDC? For certainly, without France as a member of EDC, our present concept of European policy would require tremendous changes in viewpoint.

When some speak of a changed attitude by the Kremlin in the last six or seven months we think of Beria who, following the course of many others in the Kremlin after holding absolute power, met a firing squad. The press recently contained a reference that epitomized, more completely than words could, something of the tremendous challenge to constitutional government inherent in the practice of the principles of Leninism. Here is the record. Since 1917 3 out of every 5 marshals in the army of the U.S.S.R. have been shot; 9 of the 11 cabinet ministers in the 1936 cabinet have been shot; 5 of the 7 presidents of the central executive committee have met the same fate; 43 of the 53 secretaries of the communist party in the last 25 years have been shot; 15 of the 27 who wrote the constitution of freedom for the U.S.S.R. in 1936 have faced the firing squad.

That is a picture that does not indicate any vestige of freedom. Of the 80 members of the Soviet war council in the years since 1922, 70 have been shot. There was but one member of Lenin's first politburo—Stalin—who did not meet the same fate. That tremendously challenging array of statistics is most revealing.

The minister states that we must maintain our defences. That is true. He mentioned the situation in Berlin today where the foreign ministers are meeting. He spoke of it as a very hopeful sign that they had been able to agree so quickly on the agenda. The reason they agreed on the agenda with such alacrity, in the face of the truculence exhibited by Mr. Molotov, was that the agenda agreed upon was his; and that appears in large measure to be the basis of any agreement so far attained at the conference. But the world will continue to hope.

While the soviets talk of agreements for world peace they stir up trouble in China, in Morocco, in Iran and in other parts of the world. They endeavour to secure the desertion of nations from EDC. The minister was unable to tell us much of that conference, and I can understand something of the difficulty in that regard. But certainly the attitude displayed by Mr. Molotov in his opening address, in answer to the outstandingly favourable words of Mr. Eden, the brilliantly conciliatory spirit of Mr. Bidault and the searching analysis of Mr. Dulles, was simply a refusal to meet any of their arguments for peace. His only sentimental word was to compliment East Germany on the fact that it is to be the scene of some of the meetings that are to take place in the days ahead.

I am not going to trouble the house with reading excerpts from the speeches made by Mr. Eden, Mr. Bidault and Mr. Dulles at that conference, but every one of them breathes a spirit of peace, a desire to work together, a willingness to co-operate in the world of today. Molotov spurned their offers of peaceful co-operation. He did not face the situation in Europe as it is, realizing, as the minister said, that Germany, a nation of 65 million people, cannot be kept in subjugation or neutralized forever; nor that a peace treaty with Austria should be effectually brought into being at the earliest possible date, for there is no serious disagreement there. A few years ago the terms of such a treaty were agreed on in Paris, but after Mr. Vishinsky had agreed on the general terms, Molotov overruled him and Russia turned its back on the settlement.

At the foreign ministers conference the main subject for discussion, according to Soviet wishes, are not the need of disarmament, nor Germany, nor Austrian peace treaties. Molotov's whole proposition is built on the principle that the main subject to be discussed is China and its admission to the meeting of foreign ministers in Berlin with respect to which China has no interest or responsibility. In other words his desire or aim is not to deal with the problems of

Europe but to endeavour to arouse the peoples of Asia to the belief that we of the free nations have no interest in their problems, that our concern is elsewhere.

I should like to refer to a statement by Mr. Bidault in his opening speech at the meeting. With high purpose and with the realization of the animosities that have prevailed between France and Germany for generations, with the knowledge of the suffering and tragedy that has come to France through German aggression in two world wars, he took a stand for world peace—one of the noblest in European history. He stood for giving Germany an opportunity within EDC to make its contribution, become a nation and return to the ranks of nations who respect international law and responsibility. Mr. Bidault asked for a free election to take place. He said:

> The peace treaty with Germany must be of such a nature as not only to provide a suitable conclusion to the war but to avoid sowing the seeds of a new conflict.

A little later on he said:

> The French government believes that the evolution of West Germany during the last few years leads to the conclusion that the fate of democracy in Germany is linked with the association of Germany with the west.

His stand is in keeping with the finest traditions of world statesmanship and, if adopted, assures a new Europe and a strong bulwark against the advance of communism.

I shall refer now to two matters in the order in which the minister referred to them. First I should like to say something in regard to the United Nations. The minister indicated his belief that world peace was dependent on the United Nations. There have been shortcomings in the United Nations, owing in part to the charter and to the parts played by some of the member nations and I mean those of the communist bloc, who have used the United Nations not as an instrument of peace but rather as an instrument for propaganda. Weighed fairly, most people will admit that the United Nations has done an outstanding job in preserving world peace, culminating in the step that was taken to meet aggression in Korea. It has stopped several potential wars. It has removed festers of suspicion in various parts of the world. It has not done everything that was hoped for, but its record has its successes.

When I hear protests of peaceful aims by Molotov being made at the Berlin meeting my mind goes back to April, 1945, at San Francisco, when I was an adviser to the Conservative representative, Mr. Graydon, one of the members of the Canadian delegation to the San Francisco conference. I was moved by Molotov's words as he pictured that new world where aggression would be no more, as those who forget the record must be moved as they listen to Vishinsky declaiming in the United Nations.

In 1955 the United Nations charter can be revised. That is an important milestone in the history of the United Nations. The charter was written in the pre-atomic age, the days before Hiroshima and Nagasaki.

What can parliament do to assist in making recommendations and suggestions for changes and amendments? Organizations with that end in view have been set up in Holland and in the United States of America. They are called commissions on charter amendments. I suggest that it would be worth the consideration of the external affairs committee to study the charter intensively so that recommendations and suggestions for amendment might be made to the government. No one can hope for the removal of the veto provisions which have emasculated the security council, but certainly provision should be made for giving the assembly a larger responsibility, if not complete responsibility, for the maintenance of peace and security. Consideration should be given to a new voting system in the assembly based on a system of weighted voting by which countries would be represented according to population and resources.

Then there are the provisions as to the admission of nations. Several are denied admission to the United Nations because of the opposition of the U.S.S.R. and its satellites. Austria, Italy, Portugal and Japan, and Germany potentially, are excluded from becoming members of the United Nations by the Soviet insistence on a package deal for the admission of their satellites.

I want to say a word in regard to NATO. I am sure that later on we will have an opportunity of hearing from the Minister of National Defence (Mr. Claxton), for certainly the views expressed by the minister did not give a clear picture of NATO or of its difficulties. I ask the minister, what are the prospects of EDC being accepted by the legislative bodies of its several member nations in Europe? So far it has been approved by West Germany and Holland, and partially by Belgium. To what degree has any arrangement been made recently whereby in the event of any future war Canada's contribution in the main will be to keep the sea lanes open? That was recently stated to be the fact in an article in the New York *Times* of January 27. It stated that a pronounced change had been made for Canada

in the contribution she is to make to NATO. Certainly we have fallen far short of the targets set in Lisbon. I am not referring especially to Canada when I say that, for all the nations appear to be in that position.

What has the minister to say in regard to the pronouncement made recently by Mr. Dulles, one of the most striking pronouncements ever made, of retaliatory policy whereby the United States informed the U.S.S.R. that she will maintain the right to retaliate instantly at places chosen by her rather than allow the initiative to remain with the U.S.S.R. and communist countries, as has been the case? Have there been any discussions between Canada and the United States that this new policy means retaliation by atomic bombs? Was Mr. Dulles' statement to the effect that if France did not ratify EDC the United States might withdraw her troops from Europe made after consultation? And to what degree does it represent the viewpoint of the other nations within NATO? These are questions that I think deserve to be answered, for they have within them implications unusual and drastic.

To what extent was Canada consulted when that announcement of policy took place? Was there any connection between the announcement of that policy and Sir Winston Churchill's statement that if the Americans left Europe the British would, as well? These are questions which unanswered tend to disunity among the free nations. As the minister so well said, we must preserve our unity of purpose with the commonwealth and with the United States which, to use his words, is the leader of the free world.

Now a few words regarding the question of trade with the U.S.S.R. The minister has made a plea for unity. Yesterday in this house the Minister of Trade and Commerce (Mr. Howe) was asked whether or not there was any danger of the United States selling its surpluses by fire sale. The minister is reported on page 1540 of *Hansard* as having said:

> I know of no plan for a fire sale in the United States. That country has a certain program that has dangers to Canada inherent in it if recklessly used, a program of giving assistance to foreign countries in the form of foodstuffs. We have reason to believe that it will be used with due regard to friendly countries who also have marketing problems. But, as I say, the situation is being watched carefully.

While the Minister of Trade and Commerce in the house was freeing the minds of the Canadian people from the fear of a fire sale of some of the $5 billion of farm products which the United States has on hand, the Secretary of State for External Affairs (Mr. Pearson) was at London, and according to the Canadian Press was reported to have said this:

> . . . "fire-sale" methods of marketing "massive United States surpluses" of farm products are not in the interests of the underfed people of the world . . .
>
> "Movement of massive United States surpluses . . . through give-away programs or through sales at cut prices . . . are almost bound to affect ordinary exports directly or indirectly".

The question of disposal of surplus farm products by fire sale or give-away deserves the serious attention of this government. It affects the welfare of millions of Canadians. If this policy, which the Secretary of State for External Affairs pointed out would be dangerous to us, is in fact carried out, it has inherent in it disastrous effects on Canada. Having regard to the spirit displayed by the minister when he described the relationship which should prevail between the United States and Canada, namely that we should not do unto them that which we would not want done unto ourselves, I believe the government has a responsibility to bring to the attention of the government of the United States the serious consequences to our economy which may or, I think, will result should such a dumping policy be brought into effect.

After all, Canada and the United States are together. We must stand together. Things that cause cleavages must be removed. Certainly the situation internationally will not be improved if, in order to assist nations in other parts of the world, the United States of America engages in a fire sale of farm products and thereby jeopardizes our prices, to the detriment of agriculture in general. Having regard to the attitude taken recently with regard to the export of oats to the United States, I think this problem will be solved. But I ask that it receive consideration forthwith, for disunity in economic affairs inevitably leads to disunity in the larger fields of international relations.

Mr. Speaker, the minister made reference to China, and we come back to the oft-used argument that the people's government is merely communist in name but actually nationalistic in its inception and its principles. However that may be, one of the salient things being considered today by the foreign ministers in Berlin is the stand to be taken toward China. Is she to be recognized? Certainly recognition will be hard to justify, however much it may appeal legalistically to students of international law, so long as the people's government continues its program of virtual annexation of North Korea, supplying arms in Indo-China and apparently doing

everything it can to spread communism and disruption in other parts of Asia. While it is impossible to say with finality that China should never be recognized, a good case has not been made for recognition. I believe that if Britain and France had had before them in 1949 the situation that we have today, and the knowledge of events that have since taken place, recognition of China would, to say the least, have been delayed.

Personally I believe that we should not recognize China at this time. To say that we will never recognize her is to look too far into the future. I think that type of pre-vision is called "stochachistics", or guessing to be left to experts. In 1945 or 1946 we might have said that we would never admit Japan to friendship, and that Germany would never again be welcomed back into the family of nations. Events change thinking, but with the world situation what it is I believe that Canada would take a retrograde step should the government feel constrained to recognize China at this time. Indeed, I am going to quote the words of Mr. Dulles in his speech in Berlin three days ago when he said:

> It is one thing to recognize evil as a fact. It is another thing to take evil to one's breast and call it good.

That would be in my opinion the interpretation placed on such action by the vast majority of the people of Canada should recognition be given at this time.

I think the house is entitled to have full information with regard to Soviet trade offers, and the strategy that is being followed by the U.S.S.R. in endeavouring to open and extend trade channels among the free nations of the world. After all, history is a good teacher if we listen to her lessons. Lenin and the other leaders have been quoted, since 1922, as predicting that depressions will destroy the capitalistic system. Yet at a time when agricultural surpluses are being built up all over the world, and in the light of the fact that in the past those surpluses have almost inevitably led to recessions in the economic world, it is strange that the U.S.S.R. is offering to buy with gold, and to trade.

In many products today the seller's market has become the buyer's market. The U.S.S.R. has always predicted that surplus production would ultimately destroy the capitalist countries; yet faced with its existence they are offering markets for surplus products and extending trade with nations willing to trade.

In the past they have never traded in benevolence. Is today's attitude—its new look, if you will—a masquerade? They are releasing their gold from its hidden coffers, and their gold supplies are second only to those amassed by the United States in Fort Knox. Many treasuries among the nations of Europe and elsewhere in the world want gold. Is it benevolence on the part of the U.S.S.R. that, when in our own country some people are predicting a depression because of these surpluses, they choose this as the vital moment to bail us out? If that be so, the new world has indeed been born.

It should be recalled that Malenkov is having difficulty within his own country because of food shortages. Last April he stated that his government would give more food and more freedom. Collective farming has failed. Food production is down. Is this offer to buy, to expand and extend trade, benevolence, or has it the nefarious purpose of separating us from the friendly countries of Europe by offering them that which they need more than anything else, a market for their products?

Certainly one cannot say that all trade should be excluded. Trade is permitted in non-strategic materials. I think the minister might explain what are non-strategic materials. The United States recently had an opportunity to sell 20,000 tons of butter to the U.S.S.R. The United States has a quarter of a billion pounds of butter on hand. The U.S.S.R. needs 150 million pounds. The explanation for not going through with the deal was that the price was not sufficient. What is Canada's attitude to this? Again I see a divergence, and again I ask for that unity among the ministers of the cabinet which we ask among the nations. On the one hand we have a press dispatch of the 4th of January to the effect that the Minister of Trade and Commerce had said that Canada is willing to increase trade with the U.S.S.R. in a limited list of commodities. On the other hand, we have the attitude displayed by the Secretary of State for External Affairs which is certainly not to the effect that there should be an expansion of trade.

The ambassador from the U.S.S.R. said some three weeks ago: "Don't worry about details at the moment; the main thing is to start trading". Certainly all of us hope for the day when trade will be universal, but do we not have to consider whether or not almost everything which we would supply would be strategic materials in the world of today when nations as a whole, not armies, are on the offensive in the war of ideas? The U.S.S.R. is taking textiles from France, selling iron and manganese to Britain, buying ships from West Germany, and has started to trade

with Greece, Denmark and Norway. Australia is importing Russian canned salmon and crabmeat.

There should be an enunciation by the government of Canada's policy regarding trade with the U.S.S.R., which is not so important materially if we are to judge by the trade of the past but certainly important in that consideration must be given at all times to the fact that if we supply them what they require as directed by the state we shall indeed be playing into their hands.

I ask the minister to say whether in his opinion the expansion of trade would consolidate the Malenkov regime. Which course are we to follow? Is he in a position to say whether, in the opinion of the officials of his department and of himself, this newly acquired desire of the U.S.S.R. is a bona fide desire to expand world trade or is designed to divide the free world, eventually to dominate it and finally to destroy it?

Can the minister give any assurance that if Canada or other NATO countries enter into expanded trade with Russia we will have assurance from the U.S.S.R. that those countries in Europe contiguous to it and friendly to us will not be subjected in the days ahead to the well known practice of the U.S.S.R. in the late twenties and early thirties of dumping excess goods on European markets, thereby destroying our markets and also our trade in various countries?

In Britain the federation of British industries has gone into this matter in considerable detail, and apparently the investigations have been made with the blessing of the United Kingdom government. I am not going to read the entire release issued by the United Kingdom information office on the 14th of January last, but I will read a few excerpts which I think particularly embody the general conclusions arrived at. The report contains the following:

> . . . there is, in our opinion, no ground for thinking that east-west trade, including trade with China, can in the foreseeable future account for more than a comparatively modest proportion of the United Kingdom's total volume of trade. . . It is our view that, largely owing to the Korean war and the intensification of the strategic controls, enterprise has been discouraged and a feeling engendered that there is something wrong and unpatriotic about east-west trade, even in those items excluded by the embargoes. This is emphatically a feeling to be dispelled.

I am giving both sides at the moment. After viewing contentions on both sides of the argument, the conclusions are summarized in these words:

> (i) that trade with countries of the eastern bloc is likely permanently to offer fewer opportunities than before the war, and that trade with China has only modest scope for expansion on account of her limited capacity as an exporter and earner of sterling coupled with the reduced market for Chinese exports;
>
> (ii) that such opportunities of east-west trade as exist in non-strategic goods should, nevertheless, be pursued without any inhibitions arising from political considerations;
>
> (iii) that members of the federation in their dealings with Russia, countries of the eastern bloc, and China, should avoid channels which are likely to turn matters of commerce pure and simple to account for the purposes of communist political propaganda.

I feel the Canadian people have a right to know the attitude to be taken by the Canadian government on this important matter. Certainly the trade existent now is of no consequence. According to a recent Canadian Press dispatch, in the first ten months of 1953 we exported $406 worth of goods to the U.S.S.R. and we imported $416,000 worth, mostly furs. What is the U.S.S.R. prepared to ship us? What has she available? Is it a fact that about the only products of which she has a surplus are oil, coal and timber, in respect of which we in Canada are looking for markets?

However that may be, Canadian people in industry, agriculture and labour are looking for a statement by the government on its stand in this matter. Certainly if trade is to be expanded the definition of non-strategic materials will have to be drawn with greater care.

In conclusion, I would say that we in the opposition intend in the days ahead to follow the course which has been ours throughout the years. We intend to endeavour to secure, in our external relations, a unity of purpose, a degree of uniform policy, so that in our relationships with the countries of the world we shall be able to discharge our responsibilities in the days ahead with firm and abiding purpose and with good will to all nations who will reciprocate.

Mr. M. J. Coldwell (Rosetown-Biggar): I should first like to associate myself, Mr. Speaker, both with the Secretary of State for External Affairs (Mr. Pearson) and with the hon. member for Prince Albert (Mr. Diefenbaker), in expressing the regret we all feel that Gordon Graydon was removed from us and can no longer participate in the work of this very important department. I should like to associate myself also with what the minister said about the late Hume Wrong. Like many of those in the house I have known him for a number of years and appreciate the remarkable work he did for Canada in those days when, with the minister and a group of young men brought into the department very largely by the late Mr. O. D. Skelton, the policy

was pursued of building up Canada's Department of External Affairs and giving us recognition throughout the world as a self-governing nation.

I should like also to say something about Mr. Patterson, such a delightful personality. Some hon. members sitting here this afternoon had the opportunity of being associated with him at the United Nations this autumn. It came as a great shock to us to learn that, going for a week end holiday to his residence in Boston, shortly after his arrival there he died. He was a fine, Christian gentleman, with whom many of us were happy to be associated at the United Nations.

This afternoon the minister said there was unanimity in this house on the fundamental principles underlying the policies of his department. That is true. Those fundamental principles, I take it, are the principles of security and peace. But having agreed on the principles, there is plenty of room for disagreement on those aspects that many of us think should be the policies by which both security and peace may be attained.

This afternoon I shall say some things in connection with our external affairs that are said in common with progressive and anti-communist movements and parties all across the world, not only in our own commonwealth but in the Far East and in the countries of western Europe. Let no one say that because some of the communist parties have picked up some of these policies from the progressive democratic socialist parties of the world, anything I may say in this house is communist propaganda.

The debate on external affairs can, as usual, I think serve a very useful purpose at this time because it gives the minister an opportunity of discussing our relations with other countries. It gives an opportunity to members of the house to express some views concerning recent developments in the world situation, developments I may say both diplomatically and militarily. Of course these are inseparable, for if diplomatic relations improve it should be possible to reduce our vast expenditures on various phases of rearmament.

On May 5 last, as the minister said, the last extended debate on external affairs took place in this house. I remarked then that there seemed to have been a sharp change, both in Russian propaganda and in Russian tactics, in the short nine or ten weeks that had followed since the death of Joseph Stalin. I think it is generally agreed throughout the world that, in the last 11 months or so since that event, startling changes have occurred in the Soviet union. Whatever we may think are the reasons for these changes, and perhaps for events like the liquidation of Beria and his immediate associates, there has been an easing of tension in the world since the death of Stalin.

I think that as a rule mankind has breathed a sigh of relief, and countless millions pray that, however slow the process, we may be able to move toward an era in which, little by little and bit by bit, the outstanding problems between the powerful nations will be settled not by force of arms, not by making threats against one another, but by intelligent negotiation.

Within Russia, as the minister said this afternoon, there have been changes—great changes—in the economic outlook of the new government. And I say to my hon. friend from Prince Albert (Mr. Diefenbaker) and other members of the house that I believe one of the means of achieving peaceful understanding, of achieving peace by negotiation, is to do whatever we can to encourage trade between the nations.

Now, do not misunderstand me. I do not believe we should supply a potential aggressor with strategic materials, but I do believe that the visits of British businessmen, a large number of whom we are told are over there at the moment, or of businessmen from any of the western countries of the world, can do no less than bring about some better understanding on both sides of the iron curtain.

To contemplate war, with the frightful weapons now at hand, is I believe to contemplate universal catastrophe. Because of the dire threat which has overhung the world in recent years, nations equally fearful of such a struggle may find ways and means of resolving outstanding problems and difficulties by intelligent approach and by negotiation. And I say that the gestures made by the Russians at this time, paralleled by gestures made by the President of the United States, and certainly paralleled by several statements made recently by Sir Winston Churchill, Prime Minister of the United Kingdom, all taken together have given great hope to the world that we may be entering upon an era, perhaps very much prolonged but nevertheless productive of peaceful negotiations and ultimate understanding among the nations of the world.

I think it is wrong for any of us, at a time when there are possibilities of such understanding and negotiation, to use language or threats which may make negotiation and understanding still more difficult. In saying this I am not minimizing the dangers that exist. But those dangers of course are apparent to most of our people; and I believe

they are quite apparent to most of the statesmen who have the responsibility for maintaining the security of their own countries and for promoting the peace of the world.

In the last ten months, as I have said, important changes have occurred in the attitude of Soviet leaders. Again, whether this is a new tactic or not—and these approaches may well be a new tactic—we should be prepared to welcome any such change in attitude; and at the same time we should retain the strong position we have attained. In retaining that strong position we should not, however, lose any opportunity to reach agreement on such issues, however minor they may be, as become possible of settlement through negotiation.

Let us remember that until very recently Russian leaders have said nothing that could be construed as being friendly to any of the democratic powers. Sometimes their references have been designedly insulting, making co-operation virtually impossible. And those of us who have been at the United Nations from time to time know how true that statement is. But I should say at once that leading statesmen in the democratic nations, and particularly in the United States, have at almost every opportunity denounced Russian leaders and the Soviet union in almost equally unmeasured terms.

It is I think regrettable that whenever proposals have been made by either side for co-operation, newspapers in Russia and in the United States, as well as in our own and other countries, have jumped to the conclusion immediately, depending upon which side made the proposal, of course, that such proposal should be denounced, thus making negotiation almost impossible. In Russia, the organ of the Soviet union, *Pravda,* has been guilty time and time again. And while that organ of the Soviet union has been more restrained recently, many leading newspapers in the United States have continued to pursue a policy which could have no other effect than to prejudice the possibility of peaceful negotiation. I think that was particularly true as we approached the meeting of the foreign ministers at Berlin. Believing as we do in a free press, we also believe that it should be a responsible press, rather than one unnecessarily provocative in its criticism, particularly concerning pending negotiations among the great powers.

Those of us who were at the United Nations last autumn shared, I think, the view that was very generally held there, that world tension had decreased somewhat. The minister himself said that this was so this afternoon. There were still evidences of truculence on the part of some of the great powers, notably on the part of the United States and the Soviet union. But there was less bitterness in debate, and a desire on the part of most of the nations represented there to arrive at solutions of some of the outstanding problems.

I should like to say that in my opinion the United Nations has been and is the greatest barrier we now have against the outbreak of war. Many minor disputes have been settled through United Nations agencies, and the forum provided for the great powers has undoubtedly prevented the outbreak of war on a world-wide scale. Certainly it has prevented the outbreak of war among some of the minor nations. In other words, in the sharp issues which have arisen in the Far East and in Europe as well as elsewhere, the United Nations has provided a forum for discussion, and to that extent has stood as a barrier against the outbreak of war.

I want to say how disturbed I have been during the past few days to see that one of our departments of education, that in the province of British Columbia, has withdrawn from circulation among the schools the United Nations association monthly bulletin. The bulletin, which has been circulated in all the provinces, including British Columbia, is now being withdrawn, according to a statement emanating from Victoria. I wonder what is happening in that province when I read in the press that the mayor of Victoria and some of his associates are actually suggesting the burning of books they dislike. I wonder how far in the direction of totalitarianism we are moving in this country when we see that kind of thing in a province like British Columbia.

I would like to see the bulletin of the United Nations association more widely read. It cannot be called a communist organization, you know, because it is headed by General Burns, whom we all know favourably in this city. We believe that while, in view of the world situation in recent years, it has been necessary to enter into arrangements for mutual defence, such as those envisaged in the North Atlantic Treaty Organization, it is equally important to use every means within our power to promote the economic and social well-being of people everywhere; and again, may I say, through the United Nations agencies, and through our own Colombo plan to supplement those agencies.

In that field we believe too little has been done. When the North Atlantic Treaty Organization was established we in this party urged our government to suggest an article committing the signatories to mutual economic aid for their general welfare. Thus article 2 of the treaty became one of the most important considerations which led us to support NATO. And at every opportunity we have

criticized the organization because it has failed to implement that article in the manner in which we feel it should have been implemented. I say to the government that at the present time they should be more insistent on the implementation of article 2 of the North Atlantic Treaty Organization. We believe that the policy of confining aid within the organization to military aid, which has largely been done, is not only wrong but may ultimately defeat the very objective of the treaty itself.

The difficulties arising in France and in Italy, to mention two of the NATO nations, are due to the economic conditions of the people within those nations; and, particularly in the case of France, the vast military expenditures on rearmament and on the operations in Indo-China, which apparently France herself is very anxious to bring to an end by negotiation. The economic situation in those NATO associates of ours, if not relieved, may lead to the breakdown of the whole anticommunist front among the democratic powers. Therefore once again I urge our government to give leadership, both within the North Atlantic Treaty Organization and the United Nations, for greater emphasis in the economic field.

We believe that with the easing of tension and the achieving of our rearmament targets we are in a position where we can reduce our expenditures for military defence and use the relief obtained not for the reduction of income and other taxes within Canada, but to a large extent at least for the giving of more economic aid under the United Nations' technical assistance program and the Colombo plan.

Let me add that I believe Canada has a unique opportunity of giving such leadership at the present time. In saying what I am about to say I want to have it differentiated from anything in relation to trying to make trade out of the Prime Minister's departure on his tour. The Prime Minister is about to leave on a good-will tour around the world. I said earlier this afternoon that I hoped that he would act as an ambassador of good will on behalf of the Canadian people. What I said earlier I should like to repeat on behalf of my colleagues and myself. We wish him a safe, pleasant and productive journey.

I am sure that he will realize that in conveying messages of good will in the countries he visits he will be conveying the sentiments of all the Canadian people. But I am going to suggest this, that he might demonstrate our good will in a very practical way. At the moment we have vast quantities of food available to a hungry world if they had the means to purchase it. Besides this we have, for example, at least one industry in which there is considerable unemployment, but which is equipped to produce machines for the production of food in large quantity. I am not suggesting that we sell anything; I am suggesting that we give something.

On December 26 last the London *Economist*, which is one of the foremost papers of its kind in the world, published a report on conditions in southeast Asia. This authoritative newspaper pointed out that as a result of the cessation of hostilities in Korea and the easing of world tension, countries in southeast Asia were facing a situation which to say the least is most discouraging. The fall of prices for their products and the maintenance of high prices for capital and other equipment they need from abroad will, the *Economist* says, necessarily interfere with the achievement of the standards of living originally planned when, for example, the Colombo plan was adopted. The *Economist* says that one of two things must be done, and I am going to quote the exact words as they appeared in the paper:

> There must either be greater temporary sacrifice on the part of the people themselves . . .

And heaven knows how much more sacrifice the undernourished, underfed, underprivileged people of India, Pakistan, Ceylon and the other Far Eastern countries can undergo. I continue:

> . . . or there must be an increase in the amount of external aid which in any case has never been guaranteed as adequate to close the gap between intention and availability.

Our suggestion to the Prime Minister is that, in view of the circumstances and the need to raise the standards of living, if we are to offset communist propaganda in those areas he make the generous offer of gifts of food, particularly perhaps wheat of which we have a large quantity, and instruments of production such as farm machinery, to the governments of those countries. Those gifts—I emphasize "gifts"—would be in addition to the Colombo plan, and regarded as part of our defence budget, and marketed by the governments of the receiving countries so thc proceeds could be used in carrying forward projects designed to increase their own production and raise their standards of living.

This would not have the effect of dumping goods across the world. We believe that it would not have the effect of depressing the prices of those commodities on the world market. Why? Because the recipient countries are not in a position to purchase those supplies abroad, their external purchasing power having been reduced by the drastic fall in

prices of their exports. It is not a question of replacing something they may buy from abroad, but something we might be able to give them and which they have not the means to buy abroad.

Let me say that when I suggest a reduction should be made in our expenditures on armaments, I am merely reiterating the opinion which seems to have been expressed and has been interpreted by the newspapers as having been expressed by Lord Alexander, the Minister of Defence in the United Kingdom, who is reported by the newspapers yesterday as announcing that a plan is to be introduced which:

> . . . seeks to keep Britain's defence expenditure, now more than 40 per cent of the budget or about $98 a person annually, within control.

The New York *Times* service, quoted by the Montreal *Gazette*, says this of the minister's statement:

> The new plan was interpreted by sources close to the government as a reflection of its belief that the immediate danger of war with the Soviet union has receded steadily in the last year and that time has come to re-plan defence in anticipation of a considerable period of uneasy balance between east and west.

And when we remember that President Eisenhower in his message to congress quite recently suggested a 10 per cent cut in expenditures on armaments of that country, and when according to this morning's paper the Department of National Defence of Canada is to cut the defence expenditure recommended to this parliament by more than 5 per cent, I think it underlines what I have just been saying. But it seems to me that the fact the United States can cut its expenditures by 10 per cent indicates that we should be able to cut ours probably by about the same amount, and 10 per cent of $2 billion used for economic aid in the countries where communist propaganda is prevalent and effective because of the distress conditions, poverty, misery and want that exist there, would be one of the best means of defence on behalf of the democratic nations that we could find; and I make that suggestion. I say we believe that Canada should whenever possible give a lead in promoting policies that will lead to the removal of fear of war and the deliverance of mankind from the ever-present fear of starvation and want which afflict millions of people all across the world.

Last spring President Eisenhower, both in his fireside talk in April and in his message to congress on May 5, proposed a program which met with acclaim everywhere in the world. For the first time it was proposed by the President of the United States that greater emphasis should be placed upon development of technical aid and assistance to backward areas, particularly in Asia.

Since then I am sorry to say—and my experience at the United Nations and my observation of the policy of the United States delegation lead me to think that this is so—there has been in the United States a reversion to the previous emphasis on military preparedness and the securing of bases far beyond the borders of that country. A few days ago I noted that the president of Turkey declared that his country would welcome economic aid rather than more military equipment and supplies.

Then the rumours that the United States was seeking an agreement with Pakistan for bases and the supply of armaments caused great alarm in India as well as, may I say, among the peoples and governments associated with our democratic cause. Peaceful negotiations are made more difficult when rumours of this kind go mainly or partly uncontradicted. The alarm in India was widespread and expressed by Prime Minister Nehru in no uncertain terms. Anything which drives India away from the association she now has with the West is not only dangerous but in my opinion may be disastrous to the world.

I agree with the minister and with the hon. member for Prince Albert (Mr. Diefenbaker), who both recognized the importance of having with us the countless millions of people who are in southeast Asia. If we lose them we have lost the bulk of the world's manhood and womanhood to the Soviet union. So I say that the proposal for the United States to take bases in Pakistan and to arm Pakistan is a suicidal policy on the part of the United States, and is equally suicidal for those of us who are associated with the United States in the democratic cause.

I say that negotiations are made more difficult with the Soviet union by such reports because to them at least they are indications of aggressive feelings on the part of the leading power among the democracies. I wonder what we would think if the Soviet union suggested to Mexico that she should establish bases in that country. I wonder what we would say if the Soviet union requested also to establish bases in Cuba or in other places and islands around us. I wonder what we would say, and I wonder how we could feel that negotiations proposed under those circumstances were sincere. I say that every effort should be made to prevent a policy of the description I have just mentioned being put into effect. Our government should take

a leading part as a member of the commonwealth, as a member of the United Nations and as a close neighbour and friend of the United States, in advising the United States against such a policy whenever an opportunity occurs.

I want to say something about the release of prisoners in Korea. The minister said they had been released as civilians. The manner in which the press has treated these releases certainly has caused considerable concern to a good many people. I do not propose to discuss the protracted negotiations which failed to reach agreement concerning this matter. We know that dealing with the communists is difficult, but we also know that Canada and some other nations believed that the inclusion of India in the proposed peace conference was desirable, and that if India had been admitted it is possible the conference might have been held. We voted that way, but the United States was able to muster sufficient votes among its South American friends to prevent the two-thirds majority required for the inclusion of India, so India was left out.

We have been told that the North Koreans and Chinese communists who refused to return to their countries have been liberated, but if we can believe the press stories it is a rather strange kind of liberation. It puts the North Koreans who refused to return to North Korea in lorries and transfers them to South Korean camps for screening, and ships Chinese who refused to go back to China to Formosa for similar screening. This appears to be a method of conscription which left no opportunity to the former prisoners of war to become civilians. One is bound to ask if Canada agreed to this method of liberation. In view of this episode is it any wonder that the Chinese and the North Koreans fear that the proposed peace negotiations may be but the prelude to an attack by Syngman Rhee and Chiang Kai-shek on China proper?

These are matters which cause grave misgivings among those of us who are anxious to see peace and understanding promoted among the nations.

Then look at Berlin. At the present time the foreign ministers of the United States, the United Kingdom, France and the Soviet union are meeting in Berlin. We all hope that at least some success will be attained there, but again prior to the meeting powerful voices in the United States and large sections of the press were bitterly denouncing the calling of the conference and dooming it to failure. This, it should be said, was in the sharpest possible contrast to statements made by public men in the United Kingdom and France, where the opinions expressed were so different from those expressed by powerful and loud voices in the United States, and by sections of the press.

I say this as a friend of the United States because I think there are groups of people in that country who are making it difficult for the democratic powers to achieve their objectives in ironing out some of the difficulties existing in the world that may lead to war. It seems to us that in dealing with a nation which does not believe that the press and speech in the democracies are both free, comments made on forthcoming conferences should be thoroughly responsible.

We believe that Germany today represents what may become a festering sore in the very heart of Europe. As long as the country is divided into two sections there is little hope of building a Germany which can co-operate in promoting the peace and progress of the world. In our opinion the longer she is divided the more likely it is that former nazis in West Germany will regain much of their influence over the West German people and, on the other hand, that the communist leaders in East Germany will be more firmly entrenched, making unity of the country and peace in Europe still more difficult to achieve. May I say that I thoroughly agree that any unification of Germany, as was suggested by the minister in his speech this afternoon, cannot be a unification of two governments, or a government set up from those two governments. It can only be a unification if it is preceded by free elections held under the supervision of the United Nations. Certainly proposals for the rearmament of West Germany before unification would in our opinion—and let there be no misunderstanding; we are not following the communist line when we say this, we are expressing the views of the great socialist and labour movement in Europe and across the world—have a disastrous effect on hopes for the peaceful development of the European community.

One can understand the attitude of France, and the hesitation she has in joining EDC, because not twice but three times during the last hundred years she has been invaded by German armies, causing not only great suffering but terrible losses of life and property. On the other hand, we recognize that the western nations cannot assume all the responsibility for the defence of Germany should aggression occur. Indeed, the very rejuvenation of Germany—the very fact that her industries are now able to export vast quantities of goods, that she has been able to build homes for her people and that she

has been able to put new and modern machinery in her factories—is due to the fact that none of her men have been taken out of production and put into the armed forces, that none of her industries have been engaged in the manufacture of war materials and that none of her finances have been used for military purposes which, while necessary, are wasteful.

Mr. Pearson: She has to make a large contribution to the occupation costs.

Mr. Coldwell: Yes; she has to make large contributions to the occupation costs, but even those have not been comparable to what France and the United Kingdom have been paying in their rearmament programs and in the maintenance of armies, involving loss of productive manpower, to support NATO and prevent aggression in the world.

As I say, we recognize immediately that the western nations cannot be expected to assume all the responsibility for the defence of Germany should aggression occur. Consequently, while opposed to the rearmament of Germany, we believe that after unification a disarmed, united Germany might have her neutrality guaranteed by the United Nations and particularly—by an agreement among the powers—by Russia and the western powers. But that agreement is some distance off, at least.

In our opinion, however, whatever is done to integrate German manpower into a western European defence system—and that may be necessary—neither the German armament industry nor German leadership should be permitted to revive once again the military aspirations of a new Germany. That, it seems to us, must be prevented by every possible means. Certainly we should not agree at all to any likelihood of a German army, under German command, with the old officers of the nazi regime; and what is more important, I suppose, in a way, is that the non-commissioned officers who are in close contact with the men should be carefully screened to see that they were not supporters of the old nazi regime. Any such troops should be organized under non-German military commanders and non-German staff.

This afternoon my friend the hon. member for Prince Albert (Mr. Diefenbaker) mentioned the point that the United States is contemplating withdrawal of her troops from Europe, in large part, and substituting new machines and new and devastating instruments of destruction as a means of defence. In his address to the general assembly of the United Nations, President Eisenhower clearly outlined the devastating effects that the use of such weapons would involve. For example —and I am going to quote him directly—he said:

> A single air group, whether afloat or land-based, can now deliver—

That is the weapons in the possession of the United States.

> —on an available target, a destructive cargo (of bombs) exceeding the power of all bombs that fell on Britain in all of world war II.

That is, whether afloat or land-based, one group of planes could deliver a destructive cargo of bombs exceeding the power of all the bombs that fell on all of Britain in all of world war II. Of the United States stockpile of atomic weapons he said something else, and I quote again. He said that it—

> —exceeds by many times the explosive equivalent of the total of all bombs and all shells that came from every plane and every gun in every theatre of war through all the years of world war II.

Then President Eisenhower went on to say that the United States had no monopoly of this great power, and that while he believed in American superiority in numbers of such weapons, the facts are that the Soviet union has a growing stockpile too. He then made a proposal which I believe every human being must welcome, namely that this great destructive force can and should be developed for the benefit of all mankind. He therefore proposed that the governments principally involved—and he qualified it by "to the extent permitted by elementary prudence", and I think he was right in doing that—as he put it, should begin now and continue to make, from their stockpiles of normal uranium and fissionable materials, joint contributions to an international atomic energy agency set up under the aegis of the United Nations. This agency, he went on to say, would be charged not only with the responsibility for the storage and protection of the contributed materials, but would mobilize international experts to develop and apply atomic energy for the peaceful purposes of the world.

This, of course, I may say, is a departure, and a fundamental one, from the proposals made from time to time before the atomic energy commission of the United Nations and, in my opinion, if agreement could be reached it would represent a great step forward in the peaceful development of this great new source of energy.

As Mr. Churchill said a short time ago, the very terror of these weapons to which the President referred might be something of an insurance against their use in war; but the important thing is not only, as some suggest, to outlaw the use of such weapons

—and the outlawing of such weapons, of course, may be quite problematical if a nation is faced with defeat in war—but to find ways and means of banishing war and the threat of war. That is the only insurance against war.

I repeat that in our opinion this cannot be done by threats of the use of force; nor by the building up of armies, navies and air forces, though under certain circumstances they may be necessary; nor by securing bases here and there all across the world and filling them with devastating weapons of war. In our opinion this can only be done by negotiation among the great powers and by rapidly raising the standards of living everywhere in the world. I want to emphasize again that to my mind, in the ultimate, that is the best defence that democracy has; I refer to the raising of standards of living of the underprivileged in the undeveloped areas of the world.

The foreign ministers in Berlin .are reported to be likely to discuss not only the matter of atomic weapons and the Russian proposal for outlawing them but the wider problem of disarmament. I know something of the difficulties they will face, because I was present at the United Nations in 1946 when our own Prime Minister, then our minister of external affairs, foreshadowed the organization of the Atlantic community for the first time because of the failure of the great powers to do anything in implementing that chapter of the charter which called for negotiations among their military staffs. When, at the conclusion of that assembly, disarmament was proposed, we saw the brushing aside of that proposal by Mr. Molotov and the gestures made by Sir Hartley Shawcross at the same time to the effect that Britain was prepared to give to the United Nations the keys to her factories, the right to pull up the blinds and see exactly what they were doing in order that everyone might understand the problem and come to some arrangement with regard to disarmament.

Russian proposals in the past have been unacceptable but perchance under the new regime—and I say "perchance"—more satisfactory proposals to the world might come and might be considered. We might make more satisfactory proposals also.

Mr. Stick: I do not believe it can be done.

Mr. Coldwell: May I say this to my hon. friend from Newfoundland with regard to that sort of thing. If, the moment one suggests that it might be possible to do something, there is to be the shaking of heads and the saying that it cannot be done, then it never will be done. I do not believe in that kind of thing. I do not believe, either, that as individuals or as a government we should take such an attitude.

Mr. Studer: It will never be done by the socialists.

Mr. Coldwell: My hon. friend says that it will never be done by the socialists. Let me tell him that the great act of statesmanship that brought India into the world as a nation and kept her on our side was undertaken by a socialist government. I just want to tell my hon. friend that. In any event, it is our hope that Canada will use her influence, whenever it is possible to do so, to secure the widest possible measures of disarmament.

I must conclude, because my time is nearly up. There are many other problems that could have been discussed, some of which arose at the United Nations last autumn. I hope that some of my colleagues will address themselves to some of these problems. Suffice it to say that on several occasions I wished that Canada had taken a stronger attitude regarding some of the problems before the United Nations last autumn. To mention one or two of them, there are the situations in Morocco and Tunis and the threats to human freedom in the Union of South Africa.

I think those are matters which affect not only the welfare of masses of humanity but, in the ultimate, the peace of the world. I should like to see Canada give more leadership in endeavouring to solve these problems than we have seemed inclined to give.

I want to say to the minister and the government that I appreciate the opportunity that has been afforded by setting aside this day to discuss some of these problems. I have tried to place before the house views which may not be generally shared by all hon. members, but which nonetheless are shared by millions of people throughout the world who are not communists, and I believe they are worthy of consideration.

Mr. Solon E. Low (Peace River): Mr. Speaker, I also feel that I should express appreciation to the Prime Minister (Mr. St. Laurent) and the Secretary of State for External Affairs (Mr. Pearson) for making it possible for us to discuss today these very important matters relating to external affairs. I listened with a great deal of interest to what the minister called his general and discursive survey of world affairs. I enjoyed it. He took us on another of the tours on which he so often takes us, and while he did not get clear around the world this time

at least he gave us a glimpse of what is behind the curtain of time, perhaps more than anything else, and that we do appreciate.

I want to say at once that we join with him in mourning the passing of two great Canadian servants, Mr. Hume Wrong and Mr. Patterson. The minister's department is going to suffer as a consequence of the passing of these men who in the past proved themselves to be most capable servants and made great contributions to the favourable relationships that Canada now enjoys with other countries.

I missed today the good-humoured and well-reasoned speech usually delivered by the late hon. member for Peel, who was the spokesman for the Conservative party. But I think on this very first occasion the hon. member for Prince Albert (Mr. Diefenbaker) has demonstrated that he is a worthy successor. Many of the things he brought before us today proved not only interesting but challenging, and I shall have something to say about a few of his comments before I am finished.

I think I would perhaps be neglecting my duty if I did not make brief comment on such important things as the question of German rearmament, NATO, and so on. Without going over all the arguments, or even introducing any further argument, I should say right away that I do not see how in the world the western world is going to be able to meet the challenge of the communist areas unless Germany is made capable of taking a very important part in her own defence and the defence of western Europe. Much as I have feared the rearmament of Germany and have wished that it could be otherwise, I do not see any other answer to the security of western Europe than to rearm Germany, take her into the European defence community, if that is possible, and see to it as far as we can that a rearmed Germany is never able to use her new-found or refound strength for aggressive purposes.

I think we also have to rebuild Austria. I believe it was a mistake in the first place to dismember the Austro-Hungarian empire, and I think the world is beginning to understand that that is so. We feel the need of Austria today and of her steadfastness and great ability in the western concert of nations.

As I listened to the minister this afternoon I wondered, as perhaps many other hon. members did, what is being done about those ethnic groups behind the iron curtain who all during the years have been opposed to totalitarianism in any form, who have been the champions of liberty, but are now held captive by the U.S.S.R. and her satellites. I wondered if anything had been done to make it possible for them to make their contribution because, after all, I think one of the greatest contributions to the downfall of imperialist communism throughout the world is going to be the work of those ethnic groups who still love their freedom and are determined to regain it. I suppose the minister could have said something about that, but naturally he could not cover the whole orbit today.

Although I have little criticism to make of the minister's speech and find little wrong with it, he did leave me without an answer to a number of important questions, questions that almost every thinking person must be asking himself at this time. The first of these would be: Has the United Nations effort in Korea served even slightly to insulate the world against a third global war, or has it served to bring such a conflict nearer? Maybe he cannot answer that. That may be an assignment that no person could possibly carry out today. But it is something that many people are asking, and I think with good reason.

A second question: Have we learned anything of real value to the human race as a consequence of the billions of dollars of material wealth spent and the many thousands of gallant lives lost in the Korean conflict? If so, what is it that we have learned and how can we make use of these lessons in the future?

A third question: Who has thus far come off victor in Korea, and why? Fourth: What hope is there that a Korean peace treaty will be agreed upon and signed? In the long negotiations ahead on that particular matter, how far will the United Nations go in yielding to communist demands and what effect will those concessions have, if they are made, in strengthening the communist part of the world and weakening the free part?

These are matters of grave concern to me because, after all, mankind today needs guideposts and iron rods to which to hold. It seems to me that if we realize anything at all we must realize that the objective of communist imperialism is to become boss of the world by any means that is available. Consequently anything that strengthens the communist part of the world will weaken our part of the world by just that much.

Our guide in determining our position on any important question, it seems to me, should be what position can we take that will strengthen the free world and contribute to the weakening of communist imperialism? We in the free nations have been blind to that guide for many years. Certainly we have not kept it clearly before us in the negotiations that have taken place or in the

development of our policies. The tragic result of that neglect has been a constantly expanding and growing communist menace to the freedom, happiness and security of the world. The western nations have been too ready to grant concessions. Many of our leading men have allowed themselves to be blinded to the realities of the situation, perhaps in a measure because they have allowed their advisory councils to be packed with unfaithful, subversive people who have been guilty of perfidy and treason on some occasions.

The fifth question that is in my mind is this. What are we working for as a nation? By that I mean what is the real objective of our Canadian foreign policy? What do we want to achieve—let us give ourselves a reasonable time—say in the next 20 years? I should think that a clear-cut and forthright answer to that question alone would be refreshing, and might serve to arouse hope and faith in the Canadian people. In my judgment there was never a time when hope and faith so needed to be aroused as it does today. This, and perhaps a good many other vital questions, the minister left unanswered in his speech. I realize that, as an excuse, it can be said he did not have time to deal with everything. We did not expect him to do that. Perhaps in the course of rebuttal, if he gives any, or in the near future he may be able to deal with some of these very important matters.

Even the things the minister did say today left us, at least some of us, with a feeling that we had not made very much progress over the years. Now, I hasten to pay the minister a compliment because I do not want him to think for one moment that I am saying what I have said just to be difficult and carping. Speaking to the Canadian public relations society in Montreal on January 5 of this year, the minister had this to say about foreign policy, and I quote his words as I received them in a report of his speech:

> But in the long run, a foreign policy which has a sound moral basis will prevail over one which has not, providing we build on that base a structure of strength with freedom.

I was struck with those words, and I want to deal with them. If that is the wellspring from which our whole external policy arises, then I must admit it gives me some feeling of confidence and hope for the future. I do not think we can go very far wrong if we make absolutely certain that we do build our foreign policy on a moral basis, and one of strength and freedom. It is against the background the minister outlined that we should attempt to measure Canada's foreign policy. I think we should dig into it and find out for ourselves whether, in fact, it has a sound moral basis; whether we are, in reality, building on that moral basis a structure of strength with freedom. Perhaps we are; but if we are to know that, then the elements of our foreign policy will have to be much more clearly stated than we have heard them so far.

For almost 15 years now the world has been enveloped in war. For most of those years there has existed somewhere in the world armed conflict, which we called "hot war". For the last few years we have experienced a combination of "hot war", such as in Korea and Indo-China, and "cold war", which is the battle for men's minds in the ideological or psychological field over the whole world. People generally, I find, are yearning for peace. They are anxiously scanning every sign, every portent, to discover whether there is indeed any possibility for peace. Many people everywhere are inclined to hook on to any proposition which would seem to hold some possibility of peace in the near future. Right now it seems to be the fashion to suggest meetings with the Russians or with the Chinese or with some other communist group. Everyone seems, evidently, to think that if we can get down to a conference with the communists we can work out a basis for real peace. I have heard that for many months.

I was keenly interested, therefore, in an article which appeared in the January 29 issue of *U.S. News and World Report*. This article appears under the heading "Talk with the communists; 120 million words, little gain by us." I hasten to say that I have not checked these figures, and they may not be accurate. I think perhaps that even if they are proven inaccurate they do illustrate very well the point I wanted to make. There are some rather arresting facts produced in the article, which I think it might be well if hon. members would consider for just a moment.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Low: Mr. Speaker, at the dinner hour I was about to place before the house some rather arresting facts that were contained in an article which appeared in the January 29 issue of *U.S. News and World Report*. I made it clear, sir, that I had not checked the figures in the article; but I did say that even allowing for a substantial margin of error in them, the article would illustrate the point I wanted to make, and illustrate it very well indeed.

I should like to take just a few minutes to place these facts and figures before the house, particularly as they relate to this feeling on the part of so many people throughout the world that if they could just get down to discussions, conferences with the communists, everything could be worked out very well, and that peace would be coming soon and easily. An analysis of this article shows that in the eight post-war years more than 120 million words have been spoken in formal official talks with the communists. There has been no time in the eight years when talks were not going on in some place or another with communist countries, and the one tangible result to date has been a truce in Korea, a truce that the communists considered a victory for themselves.

Out of all this experience one rather striking conclusion has been drawn, and it is this. Few words are required if the communists are getting what they want, but words in endless profusion are required to lead to any result if the communists are not getting what they want. It is amazing to note that just before the present meeting with the Russians over the question of Germany, 525,000 words were spoken in 50 hours of talks just in an effort to decide on the spot at which the big four conference would be held. And there was no result. The Americans, British and French then submitted an offer that appeared to be much closer to the Russian terms, and after only a few dozen words were spoken everything was settled in short order.

If we go back to Yalta, it is said that it took over 220,000 words of talk in just seven sessions of conference to give Russia dominance in vast areas of the world. At Potsdam only 408,000 words were spoken. On that occasion Russia got what she wanted in Germany, and as a consequence today something like 17 million Germans are slaves to the Russian machine in that part of Germany.

In contrast to this, in an effort to bring about an Austrian peace treaty we learn that 11,900,000 words have been spoken in 378 full-dress meetings over a period of eight years, and without any agreement nor, it seems to me, the possibility of any agreement so far as can be seen now. It appears that Russia has not yet managed to get what she wants in this case, and therefore she is going to go on talking, and continue to go on talking. When we speak of trying to obtain unity for Germany, which for some time now has been divided into the east and west zones, let us remember that there have been 1,380 meetings at which 43,500,000 words have been spoken, but again with no result.

The reason appears to be that the Russian terms have not been met. I suppose if we were to soften up and make concessions, as we have done in some other places in the world, it would not take long to reach an agreement. The famous Korean negotiations involved, I am told, 575 formal meetings at which it is said that 18,100,000 words were spoken. And that does not tell us how much doodling was done in absolute silence, with one side glaring across at the other and perhaps saying nothing. These meetings were carried on over a period of nearly two years, without any progress. At the end of that time terms were fixed that apparently met the conditions laid down by the Chinese communists, and thereafter the truce came very quickly. Following the armistice, talks about peace in Korea went ahead for some time, but they have now broken down because the United States is not willing to sit there day after day, month after month, year after year and listen to debate by insult.

Our experience over the years since 1933 would indicate and should have taught us this thing that is pointed out by so many observers and writers, that, all the way along, the cheapest communist commodity has been talk, as long as the western nations were not prepared to give things away as fast and as freely as the Russians and other communist nations thought we should. The classic example of how quickly these things can be done when the western nations are prepared to give Russia what she wants was the Teheran conference in 1943. At that time Russia, we are told, wanted a second front in Europe, and more lend-lease goods. President Roosevelt agreed to both terms. Russia merely gave a few inconsequential promises and a quick agreement was effected.

Then, any hon. members who have read Mr. Churchill's recent book, "Triumph and Tragedy", will recall that at Yalta in 1945 a very great part of the world was put under the sway of Russia. Mr. Churchill states that he jotted down on a piece of paper a formula for dividing up influence in the Balkan states. He shoved it over quietly to Stalin, who very quickly put some sort of cryptic mark on it, and that is all there was to it. There was no need for long talks under such conditions as those. And Mr. Churchill said that it was all over in no more time than it takes to set it down on paper.

Then six months after Yalta, at the Potsdam conference, the United States agreed to give the Russians just about everything they wanted in eastern Germany, and also agreed to let the Russians haul out of Germany—all parts of it—into Russia, vast quantities of machinery and plants of every description.

Anyone who has taken the trouble to look at the formation of the boundaries between the eastern and western zones of Germany, as I have done, can see how cleverly every single power plant was carved out of the western zone and made to appear in the eastern zone. And when one looks at those things he will understand just how easily the Russians got what they wanted. At Potsdam the Russians really smiled and, we are told, nodded in agreement, said a few words and went home perfectly happy.

Over the past eight years 94 meetings have been held between the western and eastern powers concerning disarmament. Over three million words have been spoken on that subject, but no agreement has been reached, nor does it seem at the present time as though one is in sight.

At the United Nations general assembly, and in the security council, 35 million words have been spoken on widely varying topics—world peace, and the problems the nations face. And in this great world forum the communists have quibbled, they have thumped the tub, and have used every opportunity to proclaim their propaganda. They have denounced the western nations, and they have sometimes walked out. Even when they did stay in they conducted their debate like a bunch of rowdies, resorting almost constantly to debate by insults.

Words, I say, have been communist weapons, the best weapons they have ever used. They have used them not only in a world forum like the United Nations, but they have also used them to take over labour unions and other organizations they wanted to capture. They have used words to take over nations and to win international conferences. Right now there seems to be a period of quiet and peace on what we might call the word front. For some weeks past we have read about the sweetness and joviality and friendliness of the Russian delegates and their friends at the United Nations but we should be warned that behind all this peaceful front there must be the same old communist strategy.

The minister pointed out today how important it was that we take care that we be not divided. Well, we must beware of that, because I am satisfied that the aim of the communists, in their sweet attitude at the present time, is an effort to divide the free world, with the ultimate hope of course of strengthening their own position so they can dominate the world. As one step toward this effort at division the communists are now bidding for more trade with Europe, the United States and other nations of the world. Well, it seems to me that in over eight years of that sort of thing we should have learned something; I hope we have. For just a few minutes I should like to say something about communism, perhaps in general, and about things we ought to be doing to prevent the communists from achieving their goal of world domination.

When we earnestly seek for a solution to the very great and trying world problems it seems to me that we should adopt a principle to guide us in reaching that decision, out of the experience we have had over the years and realizing as we do how difficult—yes, wellnigh impossible—it is to negotiate with the communists on anything like satisfactory or even terms. We ought to ask ourselves as we approach the problem: will this proposed solution have the effect of strengthening the communist world; or in the alternative, will this proposed solution have the long-range effect of weakening the communist world and consequently of strengthening our own by comparison?

I say we should be guided by the truthful answers to these questions. Certainly I believe that any decision we make should never have the effect of strengthening communism and the communist world, no matter how humanitarian we might wish to be in our outlook and views. If what we are about to do or if what has been proposed will in any way tend to build up communist strength, then I say, Mr. Speaker, we should assiduously avoid that proposal.

We have given too much ground already, in my judgment. Perhaps even in Canada itself it would be well to require of anyone who would dwell in our land that he earn his privileges of citizenship. In the external field I think that rather than welcoming communist dictators and nations with open arms into our fellowship of free nations and giving them every advantage of such fellowship, we should be thinking carefully of modifying the privileges that those countries, especially the U.S.S.R., are enjoying.

I am thinking at the moment of trade. Something was said about it this afternoon by the hon. member for Prince Albert (Mr. Diefenbaker). He did not say where he stood on the matter. More was said about it by the leader of the C.C.F. party, and he did say where they stood. I am going to say

where I stand. I do not think that the communist nations should be allowed to enjoy the fruits of trade with the western world unless they are prepared to give ample evidence that they value their association with our fellowship and are prepared also to work for the betterment of the world and for its peace and security.

That is a pretty straightforward position, I would say, and I have reasons for taking that view. There are many people of course who say well, what harm would it do to let the countries of the world sell non-strategic materials to Russia or to some of the communist nations? I take the view that for the present we should not even be prepared to trade with them in non-strategic materials, because they can use them to increase production of strategic materials and weapons, and that of course would result in building up their strength at the expense of the nations against whom they are constantly working, with the objective of course of destroying us. Why should we send them goods with which they can turn around and cut us down? I do not believe that is sound under any circumstances. There should be no trade even in non-strategic materials between Russia and the fellowship of free nations until, as Mr. Eisenhower said, by deeds and not words they give evidence of a desire to work for peace and for world security, instead of disruption and world domination which seems to be their constant aim.

This of course would look very serious to Britain, because Britain appears to feel that it is necessary for her to trade with China and Russia and perhaps other countries behind the iron curtain. If Great Britain is forced to seek trade behind the iron curtain, as many people seem to think she has been, then nobody is to blame for that situation but the United States, Canada and other parts of the free world. The free world thus far has made trade impossible for Great Britain at a time when all of us should have been doing everything we possibly could to strengthen and to build her up because, Mr. Speaker, Great Britain has been for many years the fount and source of justice, equity, liberty and the rule of law, and to let her be destroyed is nothing less than a world tragedy.

I say again that the free nations of the world by their policies have forced Britain behind the iron curtain, and we have not done what we could to build her up. I was struck with these words in a letter that I received just yesterday from a former member of this house, Mr. Luchkovich, who now lives in the city of Edmonton. I commend these words to all hon. members. Some of you will remember him when he was here; he was a U.F.A. member. I quote from his letter:

> Practising our Canadianism, we must not forget the debt we owe Great Britain. In this struggle we need Great Britain, and Great Britain needs us and our relations with each other must remain intact.
>
> I have no brief for Great Britain by virtue of ties of blood, but I can support her by reason of common sense and national security. Thus I have no desire to twist the lion's tail nor share in the charges of decadency. The British have had the great misfortune of losing the cream and flower of their most able young people in two great world wars. That gap has not as yet been closed. But it will be; and in the meantime they should not have to worry too much so long as they keep on producing Shakespeares, Newtons, Harveys, Watts, Stevensons, Wellingtons and Churchills.
>
> But, being of Ukrainian origin, all I can do is to express my admiration for a people that has maintained its traditions so long, that has stood up so nobly under adversity, that has saved itself by its own efforts, and others by its own example.
>
> The British people have been "running too long with the hounds to be worried by their whelps." They have been the real founders of democracy as it is now understood. Hyde Park is not only a pleasure ground but a safety valve for all the cranks to let off steam. Handsome is as handsome does and names will never hurt the British so long as they do not slough off the white man's burden and discard their role as champion of human and minority rights.

That is the end of the part I wanted to quote. This gentleman of Ukrainian origin rises to the sentiments which should be guiding the whole of the commonwealth today, and we are one of the leading members of the commonwealth.

I said that if Britain has been forced behind the iron curtain to do much of her trading, then nobody can be blamed for that situation but the people of the western world, and we in Canada and the United States must bear our fair share of the blame. What have we done to help to rehabilitate Britain and the commonwealth? What have we done to make Britain's trading easier? What have we done to help that country increase the production of those things which Canada needs and wants from Great Britain?

I am not forgetting that when we were debating the speech from the throne we Social Crediters put forward an idea for trade with Great Britain that I am perfectly satisfied would have been and could now be of tremendous help in bringing that country back to the position which we need her to occupy in this world. I am satisfied that if our proposal at that time that we be prepared to accept some sterling—we did not say "all sterling"—from Britain in the course of our trade to settle some of our balances, that had we been prepared to do so five or six years

ago, I am satisfied that today Britain could be supplying us with many of the things that we need and cannot get there. I am satisfied that if we had started even this year we could have done much in just a few months to help Britain back on her feet; but what was the attitude of hon. members to that proposal? No, sir, they turned it down and said that it would interfere with the determination of the powers that be to retain the dominance and the super-sanctity of the almighty dollar. That was the only reason.

Well, Mr. Speaker, I think if we will adopt realistic trade policies we can take care of Great Britain's needs and therefore not force her to trade behind the iron curtain. I believe that under such circumstances we could come nearer to the kind of unity among the countries of the western world that we need. At the present time Great Britain, because she feels the necessity for trade with China, has recognized China, and she advocates that the other free nations of the world recognize her. That is a point of division among the free nations.

Moreover, Great Britain would like to see China become a member of the United Nations largely because of the advantages which might come to her in the world of trade. When the communist world is made to understand that the free flow of trade between their countries and the free nations of the world is a valuable privilege of fellowship that comes only to those worthy of that fellowship, then I am quite certain they will be led to some worth-while introspection and perhaps into a little repentance. I think the most salutary lesson that any human being or group of human beings can learn, that is when he or they have been acting in an anti-social way, is to find some modification of his or their privileges of citizenship or fellowship, whether it is on a national or world scale.

That brings me to the question of communist China's demand for membership in the United Nations. I do not think we should be in any hurry about granting communist China entry into the United Nations. I do not mean to say that eventually she should not have full fellowship there, but what would be her reasons for wanting to become a member now? That is a question that has to be asked. Would it be because she feels she can contribute something to world peace and security? Is she prepared to fulfil and capable of fulfilling her obligations under the terms of the United Nations charter? Or is she anxious to become a member of the United Nations and is Russia anxious to have her there because she could be a support and a source of strength to the communist world and its disruptive aims by having a seat in the assembly beside the seat of Russia? In his article entitled "Don't Let Asia Split the West" as reprinted from the *World* of December, 1953, the minister of external affairs wrote this pungent paragraph:

> To understand the meaning of Asian communism, to place it as we should, against the background of foreign exploitation and feudal oppression, is one thing. But it does not mean that at this time we should welcome into the international community, as a state willing to abide by the principles of the United Nations charter, a regime which has committed aggression in Korea and has yet to show that it is willing to contribute to a peaceful and democratic solution of the Korean or other Asian problems.

I am in thorough agreement with those words, and I sincerely hope that Canada will stand by them. In other words, we do not want to exercise any hatred toward Asians as such. They are human beings just the same as we are, and we must be prepared to treat them in every way as equals. As the minister has so well said in other places, "We should unite against aggressors and not against Asians." That is true. But let us say to China, "When you have demonstrated by deeds and not more millions of words that you are willing and prepared to contribute to a peaceful and democratic solution of the Korean and other Asiatic problems; when you are prepared to take your full responsibilities under the terms of the United Nations charter and abide by those terms, then you will be admitted into full fellowship in the United Nations with all the valuable privileges of that fellowship, at least so far as we are concerned."

Mr. Speaker, I have not much more to say and I hope you will turn a blind eye to the clock for just a minute in order that I may complete a point which I wish to make. I am convinced in my own mind, as a matter of fact, that the United Nations would be a much better organization without Russia. There are those who think otherwise and I honour their views, but that is my belief. Russia has never yet contributed anything but frustration and despair and confusion. What hope have we that she will ever contribute anything more in the future? If, of course, she should give evidence of a real change of heart; if she should begin to demonstrate her desire to live up to her responsibilities under the United Nations charter, then of course she should not be denied full fellowship.

I am firmly convinced, however, that the organization would go along much better without Russia and without her satellites so long as they continue their present attitude and practices. We could make far better headway without her. She now uses the organization to spread her propaganda, to get her spies and subversives into this and every other country for one purpose, to undermine and destroy us. I am sure that if Russia did not have full fellowship in the United Nations there would be a much better chance of unity among those nations who are left and who are willing to undertake and discharge their responsibilities under the charter.

If the communist world were denied the privileges of membership in this fellowship of nations, and if we over the years demonstrate that we can make use of it to further and improve our collective and individual security, our standard of living and all of those worth-while things, then I say perhaps Russia and the others might decide that membership is a real privilege for which they should work and for which they should give a real demonstration of their integrity and their willingness to co-operate on a peaceful basis.

I doubt that any other action of the western world short of all-out war will teach the communist aggressors anything of lasting value. I certainly would be the last one to advocate all-out armed conflict. I know what it would mean. My organization and I are committed to strive for international peace and security. We believe that Canada and all other nations should have been striving over the years with all their might to find out what are the real sources of war, and to remove those just as quickly as possible.

We should have been doing everything in our power to remove industrial rivalry among the nations, to establish an equitable distribution of the goods and services this world can produce, and to have them distributed in all nations that are willing to co-operate. We believe that perhaps the greatest single factor leading to international conflict has been the lack of such equitable distribution of the goods and services that were produced. We are unalterably of the opinion that the establishment of sound international trade policies, such as those we have outlined on many occasions, is the best assurance of international peace and security.

At the same time we recognize only too well that there is over the whole face of the world today a conflict of ideologies that is a constant threat to peace and national security. When we realize that this conflict is going on, then we also must be realistic in recognizing the necessity of organizations such as NATO and the European defence community and that sort of thing. We recognize also the necessity of organizing our own national economy so as to provide good opportunities for economic security for all of our people, along with freedom, so we can help them to be happy and contented in their lot and save them in the struggle that is going on for men's minds.

We hear much about peace and the opportunities for peace. We hon. members are getting letters almost every day from some peace organization. Because we speak sometimes with vigour, because we advocate all-out vigilance, some of us are often understood to be belligerent. I hope there will be an intelligent differentiation between the two, as certainly there is a difference. To be vigilant is not to be belligerent. Vigilance is all we want.

Speaking of peace may I say that to us, except life itself and liberty there is probably nothing that we cherish as much as peace. Perhaps more of us do not find it because we do not understand the nature of peace. Today men and nations alike are running to and fro in search of it, some of them hoping to purchase it at a bargain—and I speak of Russia as one—some fully expecting to pay its entire price but not knowing what that price must be.

Perhaps these people have forgotten, or perhaps they never knew, that peace does not depend upon the accumulation of material things, nor upon the accident of chancing to be in one place or another on this globe, but rather that peace comes from an attitude of mind which leaves the windows of the soul open to all truth, and the will to live in accordance with that truth. This every man should know—

The Acting Speaker (Mr. Applewhaite): Order. I do not like having to interrupt the hon. gentleman, but I think I should point out that he has spoken for more than 40 minutes. I might mention that, with the consent of the house, he may of course conclude his remarks. I may also say that I think all our proceedings today are done by consent. I would also remind the house that, by consent, this debate is for a limited term.

Mr. Low: Very well, Mr. Speaker. I have just one sentence to finish. I want to make absolutely certain that every member of this house realizes that there is a price that must be paid for peace, and that we must be willing to pay that price. If we do not realize that, of course we have no basis upon which to seek for peace.

In conclusion, Mr. Speaker, I say we should know that peace may be found by earnest searchers for it, and certainly not by restless journeys over the world from this country to behind the iron curtain where you can learn methods of subversion. I hope we shall make it impossible in the future for some of our so-called world citizens and fellow travellers to make such easy trips behind the iron curtain to learn the art of peace that they want to buy at an easy price.

Mr. Roch Pinard (Parliamentary Assistant to the Secretary of State for External Affairs): Mr. Speaker, although on past occasions I have had the opportunity of discussing matters concerning international affairs, this is the first chance I have had to do so as parliamentary assistant to the Secretary of State for External Affairs (Mr. Pearson). I am indeed grateful to him for this opportunity which he has given me to express certain views on this important subject.

As he suggested this afternoon, I shall deal briefly with the activities of the United Nations at the last session of the general assembly last fall. As I had occasion to attend only the latter part of that session, I must say that I had to depend upon the assistance and co-operation of the members of the Canadian delegation in order to form an opinion as to what was going on. Afterward I could follow with ease the developments that were taking place.

While Korean developments outside the United Nations itself held the spotlight of public attention, the general assembly concerned itself during its eighth session with other matters reflecting a vast range of problems of concern to the international community. The eighth session was shorter than preceding sessions. In fact it began in mid-September and lasted only until the early part of December. In spite of that fact, the agenda was quite lengthy and in every field —political, economic, social, administrative and legal—there were issues pressing for solution. The delegations applied themselves to the work of the various committees in a businesslike manner under the guidance of the chairmen of the committees, including our own Dr. George Davidson, who acted with great competence as chairman of the social committee. The various delegations carried on the work at a good pace.

Glancing back at the eighth session of the assembly, one cannot be aware of much in the way of really constructive achievement. Nonetheless there is evidence of a generally high level of progress on the varied questions with which the assembly was concerned. This session was something of a transitional one, spanning the period between the termination of the Korean conflict and the post-Korea relationships that may develop in its wake. The assembly made some progress on problems of long standing, but did not advance far on issues on which there remained, as usual, a major clash of interest.

The atmosphere of the assembly was influenced, as it generally is, by the current international climate, and particularly by the fact that some of the major problems, such as the Korea problem and the prospect of a meeting of the big four powers on Germany, were being dealt with elsewhere. Nevertheless the United Nations continued to provide a valuable meeting ground for east and west, and it kept in motion in the right direction the machinery of international co-operation.

At the beginning of the session our Secretary of State for External Affairs had to resume his function as head of the Canadian delegation after he turned over to his successor, Madame Pandit of India, the duties of president of the general assembly. I think I express a view which is shared by most members of this house when I say that our country was extremely proud to have as one of its most distinguished sons one who did such a wonderful job as president of that important international body. His sense of duty and the effective way in which he conducted the proceedings gave to the people of Canada another reason to believe that our Secretary of State for External Affairs enjoys the reputation of being not only a great diplomat but a really great Canadian.

(Translation):

Mr. Speaker, I would be remiss in my duty were I not to congratulate the Postmaster General (Mr. Cote) who was acting president of the eighth session of the general assembly during the long absence of the Secretary of State for External Affairs (Mr. Pearson). The Postmaster General discharged these duties with ability while losing nothing of his usual geniality.

I would also like to point out the excellent work done by my colleague from Mount Royal (Mr. Macnaughton) who also happens to be my member, since I have the honour of living in his constituency. He was an assiduous participant in all discussions, as a delegate, more particularly in the legal committee to which he brought his long experience in the field of law.

(Text):

In the work of the Canadian delegation, Mr. Speaker, we were also assisted by the presence of parliamentary observers from each of the main parties represented in this house;

and I feel sure that this arrangement, which is based upon the practice followed in earlier years, has fully justified itself.

As in previous sessions, several major problems which are not new played a large part in assembly discussions and will, I am afraid, continue in the future to challenge our collective resources of intelligence and good will. These arose from issues of nationalism, colonialism and racialism. We have witnessed in acute form the practical problems which arise in this world organization in seeking to reconcile the principle of the domestic jurisdiction of sovereign states over dependent peoples with the legitimate interest of the United Nations in human rights and peaceful progress towards a wider freedom for all peoples. These are not merely arid, constitutional debates. They relate to issues which, in a dynamic world, arouse strong passions and directly concern the fate of many millions of human beings.

For the most part these problems have been considered in a spirit of moderation. These great issues cannot be determined by a rigid and formal reference to the letter of the charter. I would think that the charter of the United Nations could be compared in some ways with the constitution of a nation. A constitution must have some flexibility, and must never become the master but should always remain the servant of the people. The same thing, I think, should apply to the charter of the United Nations, so that on occasion amendments should be brought forward in order to have a charter that will suit in a better way the general interests of this organization.

It must be recognized that the force of nationalism, to which I was referring, and the urge for independence are among the strongest and most explosive elements in the world today. In seeking to direct these forces toward the path of order and non-violence the United Nations has one of its most important roles to play. Such problems arose in the case of the items dealing with Morocco and Tunisia, to which the leader of the C.C.F. (Mr. Coldwell) referred this afternoon, and other problems relating to the development of self-government and charges of racial discrimination were also discussed.

Here delegations faced alternatives not easy to resolve or reconcile. Here were problems on which the Asian and Arab states feel particularly strongly, because to them the rights and wrongs of the case are so clearly defined. Because of this they perhaps found it difficult to understand why, in the voting in the general assembly, the Canadian delegation was not able to be always fully on their side, and at times had to oppose them. The basic reason for this is, I think, the difference of emphasis which we on the one hand, and the Arab-Asian states, on the other, place on the many factors which enter into the problem. We in the western world and the Arab and Asian states are in principle united on basic aims. It is on the choice of the best means to achieve them that we sometimes differ.

The Canadian people know too well the price to be attached to freedom of government not to be in accord with other countries which are now striving towards the same end. As citizens of a country which has gradually and peacefully transformed its status from that of a simple colony to that of a free nation, it is our duty to look with sympathy upon problems of the same nature which are facing other peoples who are also trying to attain maturity and independence. But we also have our duty to perform according to the terms of the charter of the United Nations. Our intervention in matters of that kind must not be of a kind which would endanger the peaceful relations of people in those areas.

At each session of the United Nations we also look anxiously for concrete actions which will provide a test of the real intentions of the Soviet union and of the sincerity of the desire of Soviet leaders to reduce international tensions. With the best will in the world, it cannot be said that the eighth session has been marked by any basic change in Soviet actions. The house will be well aware of the difficulties in getting the political conference started in Korea. In other fields Soviet spokesmen and their satellites have persisted in their traditional positions as, for example, on the disarmament issue; or have continued to use the assembly as a platform for their usual propaganda lines, as in colonial questions or on the issue of charter revision.

The Soviet delegation insisted in putting on the agenda near the end of the session an item on international tension. But the way to reduce international tension is not to talk about it; it is to tackle, in a spirit of co-operation, the practical difficulties and current problems which face us. There is as yet no concrete evidence that the Soviet union is willing to act in this way.

This was especially true on the question of disarmament. When this matter was debated in plenary meeting last spring the co-operative attitude adopted by Mr. Vishinsky caused many of us to think that possibly the Soviet union had begun to think

that it should not be too inflexible in its attitude. Some people began to feel some hope with respect to this very important problem so far as the attitude of the Soviet union was concerned. But the position taken by Mr. Vishinsky at the eighth session of the general assembly clearly indicated that the U.S.S.R. had no intention of giving way on any of the points on which they have insisted in the past, including a one-third reduction of armed forces. Moreover, under a Soviet resolution on international tension submitted to the assembly, which deals in part with disarmament, the implementation of a general disarmament program would be a subject reserved to the security council with the result that again the Soviet union could use its veto rights. In other words, we were faced with a return by the Soviet union to the original intransigent attitude which it has consistently followed on the disarmament problem ever since it was first considered many years ago.

On the western side Canada, together with 13 other countries which are or have been members of the disarmament commission, with the sole exception of the Soviet union, sponsored a resolution which in our view avoided any provocative or controversial language. The main purpose of this resolution was to ask the disarmament commission to continue its work and to make an earnest effort to end the deadlock which has prevented any progress in this field.

I need not emphasize here that in the present state of international relations the western world cannot afford to deprive itself of its strongest weapon before being convinced that the Soviet union is ready to accept all the implications of effective international control of atomic energy, including of course continuing supervision of national territories. Moreover, the security of the west requires that the problem of atomic weapons be considered as a part of the general problem of disarmament. Western acceptance of the prohibition of atomic weapons can only take place within the context of a balanced reduction of all armed forces and armaments, including conventional as well as atomic weapons. As yet there has been no indication that the Soviet union is prepared to meet us on these fundamental points.

In the economic field an important item on the agenda was the problem of economic development of underdeveloped countries. There has been considerable difference between the points of view of the developed and the underdeveloped countries both as to the substance of the proposals and the possibility of immediate action. But the developed countries this year took an important step by accepting in principle the desirability of the eventual establishment of an international development fund. This suggestion has been discussed for many years. Governments have been invited to submit their views on certain aspects of this question as a basis for further examination. Study of the proposals for an international finance corporation are also to continue.

Two other important items concerned the raising of funds for technical assistance and for Korean reconstruction. The United Nations expanded program of technical assistance was renewed, and pledges and contributions from member countries have reached a record total of more than $24 million. Canada was one of the 23 countries which announced their intention to increase their contributions. Subject to the approval of parliament, the Canadian contribution will be increased from $800,000 to a maximum of $1,500,000. I think it is fair to suggest that our action in making this pledge had a significant influence in encouraging other countries to promise more for this program. The exact amount to be made available by Canada can be decided when more is known about the actual contributions of other countries. The assembly decided to continue the United Nations international children's fund indefinitely, with provisions for periodic review.

On the question of a Korean reconstruction program a resolution was adopted urging those who had made pledges to make good on their commitments, and recommending that specialized agencies and non-governmental organizations furnish assistance to the United Nations Korean reconstruction agency.

In the field of social affairs, the assembly touched on various aspects of the human rights question, and dealt with two items of general political importance. These were the question of the repatriation of prisoners of war from the second world war, and the question of forced labour. It concerned itself also with the problem of refugees, and a proposed program for concerted United Nations action for progress in the social field.

In the administrative field, the assembly concerned itself again with personnel problems. It adopted certain changes in the staff regulations, clarifying in some measure the powers of the secretary general. The assembly also endorsed the secretary general's far-reaching proposals for simplifying

the top structure of the secretariat, and for reducing the total staff of the secretariat by 15 per cent during the next two years. It deferred a decision on the troublesome question of the awards of compensation granted by the administrative tribunal to certain dismissed United States nationals, until it could obtain a legal opinion from the international court of justice.

No summary of the political work of the United Nations in recent weeks, however brief, would be complete without mentioning the security council's consideration of the Palestine question. On November 24 it adopted a resolution strongly censuring an attack by the armed forces of Israel on a border village of Jordan. It also reaffirmed the obligation of the parties to abide by the terms of the armistice agreement and the security council resolutions, in order to progress peacefully toward a lasting settlement of that problem.

The year 1953 witnessed the resignation of the first secretary general of the United Nations, Mr. Trygve Lie, and the appointment of his successor, Mr. Dag Hammarskjold. The task of creating, maintaining and preserving the traditions of an international public service in the climate of the critical post-war years has not been, and is not now, an easy one. The fact that our organization has come this far is a tribute to the leadership which has been given, and to the services rendered, by all who have worked faithfully in the service of the United Nations. From the new secretary general, Mr. Dag Hammarskjold, we have already come to expect, as I know we shall receive in the future, service of the highest order.

In speaking to the eighth session of the general assembly the Secretary of State for External Affairs said:

> The United Nations can still draw on a tremendous fund of world-wide support. Despite the gulf which divides the world, despite the failure of some sections of opinion to recognize the fact of interdependence and the need for unity, despite the inadequacy of our own efforts in translating aspirations into reality, there is a growing world community—spanning continents, races, languages and faiths—which follows and supports efforts towards world co-operation. By the conscientiousness and clarity of thought we bring to the tasks ahead of us, by the extent to which we make the agenda items before the eighth session the sign-posts to practical and concerted action, to this extent the United Nations will merit the continuance of this support.

Mr. Speaker, judging by this standard, I think the eighth session has confirmed the view that is shared, I am convinced, by the overwhelming majority of Canadians that the United Nations must remain a cornerstone of our policy in the modern world.

Hon. George A. Drew (Leader of the Opposition): Today, for the first time during the present session, Mr. Speaker, as well as for the first time in the year 1954, a day has been set aside for the discussion of our survival. We are not talking about external affairs or the interests of the Secretary of State for External Affairs (Mr. Pearson). We are talking about the hope of civilization for survival. I trust that the interest in survival is greater than might at some moments appear to be the case.

I have a sense of a feeling of unreality concerning the things that have been said, and the way in which the very ominous picture before us today has been analysed. In some ways I cannot help but feel that this is where some of us came in. The hon. member for Vancouver South (Mr. Philpott) brings back to my mind memories that are associated with the nature of the discussion today. I mention him because I have known him longer than any other member in this house except the hon. member for Simcoe North (Mr. Ferguson). I played football with the member for Vancouver South many years ago. I played football with the member for Simcoe North still earlier.

An hon. Member: You were a wonderful kicker even then.

Mr. Drew: I remember that at that time I was doing the kicking and helping on the half line of the team at the University of Toronto. I was centre half. The right half was the son of a very well known Liberal, who was presumed to be Liberal himself. The left half was rather regarded as a left, but we were all good friends. I presume I was wrong in the assessment that was placed on his views at that time, but as I have said we were all good friends. It does not seem so long ago, unfortunately, and then it was not very long after that until we found ourselves in the same artillery brigade overseas.

I only mention that now because it brings back to my memory many of the pleasures of life in the days before the first world war; and it was a very pleasant life. It also brings back to my memory a different kind of war, a stern war, a war which we were then led to believe was a war to end war. It was, in fact, Armageddon.

It did not turn out that way. When the war was over, following the armistice signed on November 11, 1918—which significantly enough we still remember rather than the date named as the day of peace—we had dreams of a new and sensible world, where reason was going to prevail. Young men of that time, like the hon. member for Vancouver South, myself and others, many of them now

in this house, having regard to the lessons of the days before the war, thought that the league of nations which was then created under a charter which was part of the treaty of Versailles had in fact set up a brave new world where the joint common sense of men and women was going to prevent a repetition of that horror which most of us had seen.

That horror was seen and shared by the Secretary of State for External Affairs (Mr. Pearson) just as it was by others who are here today. The dream was not entirely visionary but the dream broke down. The dream became nothing but a dream and it became nothing but a dream because those who had created this bright vision had not been able to sufficiently impress upon those who followed them the simple and inescapable fact that words and platitudes are never a substitute for that type of joint action which would prevent aggression just in the same way that you prevent, within some reasonable measure, the complete breakdown of society within the many organized communities of the world.

Then came the last world war, a war that everyone agreed in 1939 and 1940 had actually been brought closer and closer to certainty by the appeasement which encouraged the aggressor to move one step farther every time the last step succeeded beyond his highest hopes. Look back at the newspapers of 1939 and 1940, and see how everyone who was called upon to speak at every important public forum was saying that never again would the word "appeasement" be written across the face of the world in letters of blood. That was the lesson that we said we had learned.

With that impression in the minds of men and women, and with all the limitless horrors of the last world war still fresh in their minds, representatives of most of the nations of the world gathered at San Francisco in the spring of 1945 and signed the charter of the United Nations, with the hope that the failure of the league of nations would warn them of the danger of forgetting some of the lessons of days gone by.

Who can forget the warnings of that great statesman, Jan Christiaan Smuts, the man who actually first conceived the form of the league of nations. His was the warning that if this was to become a reality, then everyone should remember that the way to peace was not to be found along the road of appeasement. And there were others there with similar memories. I think the time has come for every one of us to urge that in the name of decency and civilization we should revive those memories, and remember that when we emphasized the dangers of appeasement it was simply with the thought of seeking to emphasize the danger of war itself.

Today we have heard external affairs discussed. I would be less than frank if I said tonight that I thought the Secretary of State for External Affairs had told us anything about external affairs, other than to repeat things that we already knew, except as to the decision of the government in regard to the invitation of India for a reconvening of the United Nations. I may have missed something, but I cannot recall a single thing he told us that was not already a matter of common knowledge. And this is the first debate we have had on external affairs. If I am wrong in what I have said I would be glad to be corrected.

As the hon. member for Prince Albert (Mr. Diefenbaker) said today when speaking on behalf of this party, we want as much agreement as there possibly can be in regard to external affairs. To whatever extent that is possible, we want a single policy which will represent the people of Canada. Mr. Speaker, a policy of that kind can come only when external affairs are discussed in an atmosphere of reality, and when the spirit and faith and belief of the members are challenged by the feeling that we are being taken into the confidence of the government, publicly, so far as possible, and privately to whatever extent that can be justified.

Passing from the remarks of the Secretary of State for External Affairs, I want to speak about certain statements that were made this afternoon by the leader of the C.C.F. party. He spoke about the immense change that has taken place in Russia within these past few months. They have; tremendous changes have taken place. Stalin died less than a year ago. At that time there was great speculation whether his successor would be Beria or Malenkov. Malenkov was the successor. The leader of the opposition and his associates were disposed of; they have a somewhat different system there.

This was no removal of some disturbing element in the country. He was disturbing only to the extent that, conceivably, he might have challenged Malenkov's position. Of course, as has been pointed out already, his was the usual fate of those who have occupied the same post. I cannot recall a single head of the secret police in Russia since the revolution who has not been disposed of in the same way. I do not know why it is still possible to fill that office.

But surely anybody must be almost unbelievably naïve who thinks that Malenkov was suddenly imbued with some high

moral purpose which led him to dispose of this fiend who had murdered many people in Russia over the years. Of course he had; but that is the business of any man in that job in Russia, and it will be the business of the man who is in that job in Russia now. And it was the business of the men who did that job, when they removed Beria and his associates, as they have removed many others. Yes, there have been changes. A new ruler exercises that unlimited power. Oh, yes, there are different appearances. The gestures of friendship have been made. Well, surely our memories are not so short that we do not remember the same gestures of friendship in the years just before the last world war.

It happens that I was in Moscow at the time they were carrying out a similar political change some years ago, in fact, at the time they were disposing of Tukachevski and Yakir and a number of other Russian generals in 1937. History is simply repeating itself. At that time visitors to Russia were welcomed more than they have been since the last war. The gestures of friendship on the surface were there. It was possible to find many pleasant things; art, music—all were to be found in Moscow or Leningrad in the buildings that had been erected long before the revolution. There were pleasant things there, pleasant and deceptive things.

No, the picture has not greatly changed. But then I was struck by the words of the leader of the C.C.F. when he said we may be entering a period of peaceful negotiation. Let us not forget the Russian willingness to negotiate; let us not forget the readiness of the Russians to negotiate with nazi Germany in 1939. Let us not forget that if the Russian government had not signed an agreement with nazi Germany on August 26, 1939, while they were actually negotiating with the British and the French at the same time in Moscow, it is still uncertain whether Hitler would have dared to move at that time. They were still in advance of their schedule. Do not let anybody forget the pictures they can see in the press if they are not still clear in their minds, of Mr. Molotov, who is now in Berlin, side by side with von Ribbentrop signing that agreement in the Kremlin when they pledged themselves in a friendship that was to be everlasting.

Yes, they negotiate; they will sign anything, and the documents that have been disclosed since the war make it perfectly clear that when they signed that agreement on August 26, 1939, they had no more sincerity of purpose than had the Germans. Both of them were planning for what was going to take place at the next stage.

It was not many days after that when Germany struck in that unprovoked attack on Poland which brought the free nations into the last war. It was not because any inch of the soil of Britain, of France, of any part of the British commonwealth or of the United States was challenged at that time. It was because a great principle was challenged, and that was the right of nations to live their own lives and not be subject to unprovoked aggression such as nazi Germany committed in the attack. And then what happened? Did Russia repudiate the agreement and become indignant at this breach of the understanding? No; they went in for their share. Greatly to the distaste of the Germans they moved in and occupied the other half of Poland. When thieves fall out trouble really begins. One of the thieves has been dealt with; the other is now prepared to negotiate once again.

I am repeating only in capsule form the tragic history of those early days of the last war that we should not forget. When we talk about negotiation let us remember that those are the same people—that is, those of them who have survived—and their manner of doing business has not changed in any way.

I was disturbed, and greatly disturbed, by the remarks made by the leader of the C.C.F. party in regard to the possible establishment of Soviet bases in certain parts of the world. I was disturbed because I recognize without any reservation his complete sincerity in his approach to this problem. I was disturbed because I recognized his sincerity and the extent to which many people appear to forget some of the events of even the most recent years. He said: "I wonder what we would think if the Soviet union sought to establish bases in Cuba or in Mexico?" He asked us to think of how this would be regarded in the United States as an evident sign of aggression. He may not have intended it, but I almost heard the speech I heard Bevan make in the House of Commons in Britain when he pictured two aggressors between whom there was not very much of a choice. I hope this is not the interpretation to be placed upon those remarks; but let us take what he said: "What would we think if we found the Soviet seeking to establish bases in Mexico or in Cuba or in those other places?"

Let us remember, Mr. Speaker, that the Soviets have sought to establish bases in other places throughout the world where they could get bases, and they have been very successful. Who brought the Soviet troops into East Germany? Who brought the Soviet troops into Czechoslovakia? Who brought the Soviet troops into all of eastern

Europe? Then let us go back in our memory to Spain, in the days before the last war. Did I hear someone say "Churchill"? Anyone who said "Churchill" is unworthy to sit in this house, if he was suggesting that Churchill was responsible for their going in there.

Mr. Zaplitny: I was the one who said "Churchill" and my comment was that Churchill was the one who negotiated with the Russians.

Mr. Drew: I was speaking of Spain, and the hon. member knew I was speaking of Spain. I have heard that same statement before. Now, let us be quite clear that no one saw more clearly than Churchill did what was happening in Spain. Read his speeches of that time, and let no one here suggest that Churchill did not see before the last war as clearly as any human being in the world what was happening in that area, as in other parts where the bitter signs of war were still not apparent to some who sought peace just as much as he did.

No, let us not forget the friendship of Franco for those who were opposed to the things for which we stand. But let us not forget that what brought Franco to power in Spain was the communist government under Caballero. Do not let anybody suggest that it was not a communist government.

Some hon. Members: Oh, oh.

Mr. Drew: Do not let anybody suggest that it was not a communist government. I saw in Moscow tribute being paid to representatives of the people who had put Caballero there, and who were being honoured by the communists in Moscow at that time.

Mr. Cameron (Nanaimo): Does the hon. member deny that it was the fascist and the nazi brigades that finally put Franco in power?

Mr. Drew: I know my history too well not to know perfectly well who brought Franco to power. What brought Franco to power was exactly the same thing that brought Hitler to power in Germany and Mussolini to power in Italy. It was the communists; and the people who were determined to drive out communism went to another dangerous extreme. In every case these vile dictatorships have been the spawn of communism itself. Do not let anyone to my left or elsewhere distort history today. It was the vile abuses of the communist-supported and communist government of Caballero that were condemned by Churchill and by those who knew what was taking place. But do you suppose for one minute that if Caballero had stayed there, Russia would not have continued to supply Caballero with the guns, the tanks and the weapons that they had been supplying him with? Certainly weapons were supplied on the other side, and unhappily the first round of the last world war was in some measure fought in Spain. Every one of us knows that the fascists of Italy and the nazis of Germany took one side, with the communists on the other. But do not let anyone suggest that Russia has not been willing to establish bases wherever she could.

Do not think for one moment that if Russia had succeeded in gaining control of Italy through their regime there under Togliatti they would not have supplied Italy with arms, weapons and the supplies of war today. Do not believe for one moment that if they had succeeded in their dream, in which thank God they failed, of imposing a communist government on France under Thorez they would not have supplied them with guns and tanks and weapons, and that we would have been facing a very much more dreadful picture than we do today.

No, let us not get this picture distorted in any way. The suggestion that the Russians have reason to be alarmed about the establishment of bases by the United States in different parts of the world denies one very simple fact. Russia has been the great aggressor since the last war, and has brought more human beings under that vile dictatorship than were ever brought under slavery in the same period of time in the long history of the world. In that same time not one act of aggression of any kind could be charged to the government of the United States which, thank God, is our ally in this great cause. That is something to remember.

Do not suggest that those two things are on the same basis. I was disturbed today when I heard the suggestion that the NATO forces were capable of stemming aggression. We know they are not. We know that they are not in position to stem the forces of Russia assembled in Europe today. We do know that with the immense bombing power of the United States and Britain those forces can be effective to prevent aggression; but the compelling deterrent, and never let us forget it, at this time is the immense bombing power of the United States and Britain. I repeat, "and Britain". Let us pass from that.

I have dealt with these things because it would be very unfortunate if in seeking peace we forgot any of the recent lessons of history, or were beguiled into any belief that the peaceful front presented under the new leader in the Kremlin offers any assurance of good intentions until some evidence of good

intention, which has not yet been given, is offered as evidence to the world of any substantial change.

Mr. Speaker, we have heard today of the horrors of another war. I do not think anyone needs to be reminded of that. Anyone who follows the radio and reads the press knows perfectly well the unbelievable extension of the deadly power of nuclear weapons. But let us always recall that the increase in the deadliness of weapons does not change a single principle which we accepted under the charter of the United Nations at San Francisco or a single lesson we were supposed to have learned in the years between the two world wars and the ghastly tragedy that followed.

In the last few days we may well have reached a dramatic turning point in history. No one can yet say with finality what is going to emerge from the conference in Berlin. Let us see quite clearly what did emerge from the proposal made on behalf of Russia by Mr. Molotov at the beginning of that conference. He proposed that China be seated immediately as one of the big five. He went further, however, and indicated quite clearly that if this proposal were accepted, then the western powers could count on the good offices of Russia to bring about peace in Korea and Indo-China.

Mr. Speaker, whatever was intended by that statement, one thing emerged in unmistakable form. How can Russia again deny their full authority over China? How can Russia again deny that they are in a position to pull the strings? That was their bait. That was their promise. They said if we accepted communist China as one of the big five they would do what we have all said Russia could do.

That did something more. It centred international diplomacy on the willingness or otherwise of the free nations to recognize communist China, to give such further recognition and to be prepared to accept her in the United Nations. It meant nothing else. They are to be one of the big five. That means they are to be one of the five permanent members of the United Nations security council. It had no other meaning and was not intended to have any other meaning.

It is granted that certain other things have happened since then; but I think most of us will be greatly surprised if this conference ends with that position changed. I think most of us will be surprised if this conference does not end with the Russian demand still there, that the price of negotiation, the price of peace which they can enforce upon their puppets, is the recognition of communist China and the entry of communist China into the United Nations. They were called to Berlin to talk about the unification of Germany and Austria, but the focal point of international diplomacy has been carried across two oceans and this continent to China.

Mr. Speaker, all the members of this house may not have agreed from time to time with the things that have been said by Mr. Dulles. However, it may be a good thing at this time that issues are presented not in the old terms of veiled diplomacy but in direct and understandable words that ordinary human beings throughout the world can really understand. Mr. Dulles used words of that kind the day before yesterday. This is what he said:

> "But who is this Chou En-lai?" Dulles asked. "He is the leader of a regime which attained *de facto* power through bloody war, which liquidated millions of Chinese as the only means of maintaining power and which devotes so much of its resources to military aims that its people starve by the millions. Such is the man who, Mr. Molotov says, should sit with us. Mr. Molotov has portrayed an illusion. Our moral sense forbids us to accept him."

I hope that in this house we will say that our moral sense forbids us to accept Chou En-lai, Mao Tse-tung or any of the communist hierarchy who are murdering their countrymen in the name of communism in China today. As to the Asian communists, we hear them spoken of as though this were a denatured form of communism. Perhaps it would be well for us not to forget that a substantial part of Russia is in Asia. That fact, of course, gave them the opportunity to train, equip, finance and feed their fifth column under Mao which they organized on the borders of Russia until it was ready to invade China. Do not let anyone pretend that this was an agrarian uprising or an expression of new social consciousness of the people of China. Do not let anybody suggest that this was a Chinese revolt. It was an invasion by a Chinese communist fifth column led by Mao and under the direction of Moscow at all times, as it still is today. If we had been in any doubt about that fact, Mr. Molotov has made it plain by saying that if that puppet government is recognized and accepted in the United Nations, he will use his power to bring peace in Asia.

No, this is not some new expression of Chinese social consciousness. Neither I nor, I hope, anyone else here would suggest that conditions in China were admirable under the government which preceded the present government there, but one of the things

which seems at times to be difficult to comprehend is the way in which Chiang Kai-shek suddenly became the human incarnation of evil the moment that Russian military power happened to be able to move Mao in to form a new government in Peking.

No, Chiang Kai-shek was not giving China democratic government, nor had it ever had democratic government. But let us be quite sure that China will never have democratic government under the present government there. Let us not shed any crocodile tears for the man who has succeeded Chiang Kai-shek, even if one is able suddenly to forget that not so long ago we did find it possible to express some admiration for Chiang Kai-shek because of the fortitude which was shown for many years in stemming Japanese aggression while the rest of the world was twiddling its thumbs and letting aggression take its course. Have we forgotten the report on Japanese aggression prepared by a commission of which a great Canadian jurist formed a part? Have we forgotten what we were told at that time about the possibility of stemming Japanese aggression? I hope not. But we seem to have forgotten that at that time, whatever his methods of government may have been, Chiang Kai-shek was able to lead the Chinese people in resistance to that aggression for a long time.

It was because of his long struggle against a common enemy at that time that China became one of the big five, not because it happened to occupy a particular part of the map of Asia or because of any particular tradition or background. China, under Chiang Kai-shek, became one of the big five because they had fought aggression longer than had any other nation at that time. That is something to be remembered when, too lightly, any suggestion may be made that Mao should step into Chiang's position and assume the same dignity and authority that was accorded to China at that time because of what they had done to fight aggression.

We have many Chinese in Canada, Mr. Speaker, and I have yet to meet a Chinaman in Canada who supports the present communist government in that country—not one, and I have met many of them. I do not think those who live in Vancouver will find many Chinese in Chinatown who will express any support, veiled or otherwise, of the communist government in Peking. I think that is true right across this country. It has certainly been true any place where I have met the many Chinese I have met in these past few years since the communist fifth column under Mao invaded China. No, the Chinese in this country dream of that day when this ghastly slavery will be ended and when, halting though the steps may be, once again the forward march of the Chinese people toward something of our kind of democracy may begin.

That brings us to the age-old question which applies not only in China but elsewhere. Am I my brother's keeper? I must confess some surprise that there are those who seem to be ready to accept the existence of communist governments imposed by force or threat of force as the status quo, but who are satisfied simply to bask in the sunshine of our own freedom and offer no hope of sunshine or light to those people now living in the darkness of communist slavery. I hope no one will interpret what I have said as suggesting that we can or should contemplate, or would under any conceivable circumstances think of contemplating, a military movement against the governments of any of these countries. No sensible person would even contemplate that possibility. But the least we can do is to stand firm in our own convictions and, standing firm in our own convictions, insist that Russia, which signed the charter of the United Nations in the spring of 1945, extend to those nations outside of Russia which are now enslaved and are servants of the Kremlin an opportunity to choose by a free vote their own form of government.

Is that a vague and unreasonable ideal? It is only a vague and unreasonable ideal if we did an utterly unreasonable thing in 1939 when we regarded the invasion of Poland as a challenge to the fundamental principle that every nation has a right to choose its own form of government, whether it be communist or otherwise, as long as it is their own choice. Are we going to forget the millions of people of Poland who did, for a while, have hope? Are we going to forget the millions of people of the Ukraine who, for a while, also had hope and were free?

May I interject at this point that I hope no one will suggest that the Ukraine is part of Russia. If it is, the representative of the Ukraine has no right to be sitting as a representative of an independent nation at the United Nations in New York now.

Mr. Low: He has no right anyway.

Mr. Drew: In any event, Russia itself is one country that cannot deny that the Ukraine is an independent country, because they insisted that the Ukraine be recognized as an independent country and that their representative be seated there in that capacity. No; in this case we can claim Russian support for the proposition that the Ukraine is an independent country, and I

hope the time will come when that support may be extremely valuable to the people of the Ukraine and all who love freedom.

Have we forgotten the people of Czechoslovakia who, before the last war, had one of the finest democracies to be found anywhere in the world, a peaceful, peace-loving, vigorous, dynamic democracy, betrayed by communists who unhappily were brought into the government of that country in the mistaken idea that you can deal with communists? Have we forgotten the people of Hungary? Remember, Hungary is no stranger to democracy. The golden bull which declared the freedom of the people of Hungary was signed a few years before Magna Carta. That lovely parliament building on the bank of the Danube was one of the great homes of democracy in the world.

Have we forgotten the people of Bulgaria? No, I am not going to suggest that they understood the processes of democracy, but they had their form of government which was their own, and they are now under Russian control. Have we forgotten the people of Roumania, an enlightened country with a great culture and great traditions? Have we forgotten Lithuania on the Baltic, Latvia and Estonia where, before this last war, people were living in decency, comfort and democracy which was a beautiful and shining contrast to the life in Russia to the south of them? Have we forgotten the people in other parts of the world, including China, who have been brought under this slavery? I hope not.

At the moment all we can hope to do is to stand firm in our own convictions. But there is one way that we can test the good faith of Russia which does not depend upon negotiations, and it seems to me such a simple test. Let us simply place before them the charter of the United Nations, and remind them of their signature to that charter. Then we could recall to them certain provisions of that charter, and recall that in the preamble to the charter itself there was the assertion, supported by Russia as one of the big five, that every nation is equal in its right to determine its own course. Russia has brought hundreds of millions of people under as vile a form of slavery as the world has ever seen in these years since the last world war. Can anyone suggest that, if Russia were seeking entry to the United Nations today, any person who had been even moderately informed on modern history could support Russia's entry without repudiating every sanction of the United Nations itself?

Now, having said that, I recognize that Russia is a member. There are provisions for expulsion. I recognize that it would be folly, that it would be meaningless, to discuss the expulsion of Russia. She is one of the big five with veto power in the security council, so we would not get very far with that. But, Mr. Speaker, China with its puppet government is an aggressor, so declared by the United Nations in Korea, and still an active aggressor in Indo-China today. I fail to see how anyone who retains any mental integrity in their approach to the undertakings of the United Nations can suggest that, under present conditions, China could even be considered for membership in the United Nations.

Let us remember, of course, the distinction between recognition and entry into the United Nations. There seems to be confusion about that. Recognition simply means formal recognition of a government as the *de facto* government of the state with which we are prepared to do business. Whether or not we are prepared to do business with communist China is something still to be considered, but there is a vast difference between recognition and the entry of the government of communist China into the United Nations. What a travesty it would be if we even discussed it while countries like Portugal, Italy, Japan, West Germany, Austria, Finland, Switzerland and Spain, which we have recognized and to which we send diplomatic representatives, are not members of that organization. What a travesty it would be if we found the dictatorship of Salazar so offensive that we could not admit Portugal, our friend for so long in peace and war, and at the same time we would contemplate the entry of the government of communist China, whose hands are dripping with the blood of the people they have murdered in their rise to power.

No, Mr. Speaker, there could be too high a price to pay. In saying that, I am not suggesting for one moment that we should contemplate the possibility of the kind of terror that would be visited on the world in a modern atomic war. Let me repeat that if we meant what we said back in 1939-40, then we believed at that time—and we might have reason to believe today—that appeasement leads to war, and that the way to preserve peace is to stand firm in a common cause, not to temporize with those who have betrayed every decent undertaking to which they subscribed at a time when we were associated with them in an effort to prevent aggression during the last world war.

No, Mr. Speaker; let us have more reality in discussing this subject. Let us ask that Russia give us evidence of her good faith

before we proceed with further negotiations. I repeat that evidence of good faith can easily be offered, simply by agreeing to permit a free vote in one of those countries I have mentioned as a first step toward honouring their signature to the charter of the United Nations. Let them pick Poland, the Ukraine, Czechoslovakia, Hungary, Bulgaria, Roumania, Lithuania, Latvia, Estonia, China or any other country which they have occupied, including Tibet; let them display a single bit of evidence of good faith in that way. Otherwise we are simply following the age-old course to ruin.

Surely, Mr. Speaker, one of the most dramatic pictures in the Scriptures is that of the devil conveying the Saviour to a high place and offering him all the realms of the world in return for a bond under which the position of the devil would be recognized. Throughout history not only the Christians but all those who believe in the same principle have followed that example of salvation by repudiating any bargain of that kind. The road to salvation is found along other ways, not along the road to appeasement or bargains of that nature. We want peace by every device within human power. Let us prevent this supreme catastrophe but, Mr. Speaker, let our voices be raised in a way that will leave no doubt that in Canada we want no bargain with the devil.

Mr. Speaker: Pursuant to the agreement which had been reached, and according to which we have proceeded today, since it is now ten o'clock the house adjourns automatically.

Mr. Coldwell: Would it be possible, Mr. Speaker, for us to sit another 15 minutes to permit the minister to reply to some of the criticisms?

Mr. Speaker: Is it agreed?

Mr. Stick: No.

Mr. Speaker: I hear that there is objection to it.

Mr. Coldwell: Where?

Mr. Speaker: Some hon. members are objecting to sitting after ten o'clock. I shall ask the question again. Is the house giving its consent so the Secretary of State for External Affairs may have a few minutes in which to reply?

Some hon. Members: Agreed.

Mr. Stick: No.

Mr. Speaker: I hear "No" again. Therefore, as it is ten o'clock—

Mr. Knowles: Who said "No"?

Mr. Stick: I did. I believe that the Secretary of State for External Affairs—

Mr. Speaker: The hon. member should not give an explanation for his negative attitude. He has said "No"; therefore unanimous consent is not given.

BUSINESS OF THE HOUSE

Mr. Speaker: Will the minister announce the business for Tuesday?

Mr. Knowles: Monday.

Mr. Harris: On Monday we will consider, in turn, amendments to the Senate and House of Commons Act, amendments to the Salaries Act, amendments to the Post Office Act, and then the Criminal Code.

Mr. Green: In that order?

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

HOUSE OF COMMONS

Monday, February 1, 1954

The house met at 2.30 p.m.

HOUSE OF COMMONS

THE PRIME MINISTER—CONGRATULATIONS ON BIRTHDAY

Mr. Speaker: It is the practice for the Speaker to inform the house about messages that he receives. Needless to say, I am pleased to inform the house that today is the birthday of the Right Hon. the Prime Minister. I am sure I express the views of everyone when I wish him a very happy birthday and many happy returns of the day.

Hon. George A. Drew (Leader of the Opposition): May I avail myself of the privilege, with the consent of the house, of extending to the Prime Minister the warmest good wishes for many happy returns of his birthday. One of the happy incidents of service in the House of Commons is that the contacts we make with each other leave no doubt in our minds about the sincerity with which those of different political views seek to serve the common cause. With that in mind we extend our friendship and our personal contacts, but always reserving, as we always shall, the right to disagree. That is a healthy state of affairs.

I extend good wishes to the Prime Minister not only for his health and happiness on the occasion of his birthday but also for the trip ahead of him. May I remind hon. members that the Prime Minister, looking extremely well, is, after all, still a comparative youngster when one compares his age with that of the very youthful head of another government of the commonwealth with whom he will be lunching in just a few days. In extending our good wishes to him today, may I express the hope that for long years ahead his health, vigour and happiness may continue.

Right Hon. L. S. St. Laurent (Prime Minister): I wish to thank you, Mr. Speaker, the Leader of the Opposition and all my colleagues for these expressions of good wishes, the sincerity of which I find very touching. It is one of the perhaps not too many satisfactions of public life to be able to vigorously prosecute one's own opinions and ideas and still feel that one retains the esteem of those with whom one is trying to serve the state. We all welcome every opportunity to exchange warm good wishes with each other on proper occasions, and thereby to show each other that we do appreciate the sincerity of each of us in endeavouring to serve our great country to the best of our individual ability.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I do want to say that I am sure all of us, irrespective of our political views, join with the Leader of the Opposition, the Speaker and everyone else in extending our good wishes to the Prime Minister. When we say this sort of thing sometimes some people, because of our political differences, think that there is some insincerity about it, but I want to say that I am confident that there is no insincerity anywhere in the house in wishing the Prime Minister health, happiness and many happy returns of the day.

Mr. Solon E. Low (Peace River): I am very glad, Mr. Speaker, that there are occasions when it is possible for us to forget our differences and emphasize the common ground on which we stand. Birthdays seem to be one of those occasions, and I am very happy to be able at this time to join the other hon. gentlemen who have spoken in extending to the Prime Minister our very warmest wishes for many happy returns of the day and to assure him that there must be many hon. members who hope that at 72 they will be as spry as the Prime Minister.

COMMONWEALTH FINANCE CONFERENCE

TABLING OF OFFICIAL COMMUNIQUE—STATEMENT BY MINISTER OF FINANCE

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, since the full text may not have been available to all hon. members, I thought I might table the official text of the communique issued at the conclusion of the meeting of commonwealth finance ministers in Australia which ended on the 15th of January. There is little I can add, or perhaps should add, to what is in the communique. As the house knows, this was the most recent of a series of meetings that have been held at fairly regular intervals since the end of the war. At these meetings the questions which have been discussed have related primarily

to the commonwealth countries in the sterling area. As the house is aware, the United Kingdom acts as banker for and holds the reserves of the sterling area countries. As a result of conditions arising out of the war, sterling has been inconvertible up to the present time, and it has been necessary to impose a variety of restrictions upon trade. I have had the privilege of attending all these meetings since the end of the war. In my opinion this last meeting was, in many ways, one of the most satisfactory of any of them.

The questions reviewed were the progress made in liberalizing trade and in moving towards the goal of convertibility. The targets were set two years ago, at a time of real crisis, and they were reaffirmed at the meeting a year ago. Anyone who has watched the march of events will realize there has been a moderate but steady improvement during all that period. Today sterling is stronger than it has been at any time since the end of the war, and there has been a progressive liberalization of all these trade restrictions. I am happy to say that at the meeting in Sydney the goals of freer trade and convertibility were reaffirmed.

I have always hesitated to assume the role of prophet, and I do not presume to do so now. The time when sterling, one of the world's great trading currencies, is made convertible must of course be determined by those who are primarily responsible for that currency. But in my opinion, that goal is very much nearer than any one of us would have dared to hope even as short a time since as a year ago.

I should like to add one word, and that is to say that the arrangements made by our host, the Australian government, were admirable in every respect. The Australian Prime Minister, Mr. Menzies, who presided, did so with his usual ability and tact. The hospitality which was extended to us by our Australian friends was beyond praise. I regret that because of a minor throat affliction I was not able to participate to the extent to which I would have liked. Nevertheless, I can assure you that the hospitality was fully up to what I had always heard were Australian standards, so that all in all I found it was a most satisfactory conference.

Hon. George A. Drew (Leader of the Opposition): In view of the insistence with which we have presented requests in this house at different times, Mr. Speaker, in the form of resolutions seeking the initiative in reaching the goal of convertibility, we will naturally welcome with great enthusiasm the statement that the goal of convertibility is so much nearer. I must say that we welcome also the fact that convertibility has now become a respectable word. There was a time when ridicule was poured on the suggestion that our government might take the initiative in seeking ways to further the cause of convertibility. The Australian government, having taken the initiative, obviously has attained results which are satisfactory to the government. While we would regret that the initiative had not been taken in accordance with our resolution, we welcome this statement that the goal of convertibility is closer today than it was before.

Mr. J. M. Macdonnell (Greenwood): May I ask the minister whether he could make the communique available by having it printed, perhaps as an annex to *Hansard* or in some other convenient manner?

Mr. Abbott: If the house were willing to agree, I am sure it would be entirely satisfactory to have the document printed as an annex to today's *Hansard.*

Mr. Speaker: Is it agreed that this document be printed as an addendum to *Hansard*?

Some hon. Members: Agreed.

(*For text of document see appendix, pages 1671-75.*)

NATIONAL FILM BOARD

STATEMENT ON AWARDING OF CONTRACTS FOR BUILDING

Hon. W. E. Harris (Minister of Citizenship and Immigration): On several occasions recently, Mr. Speaker, the Leader of the Opposition (Mr. Drew) has addressed questions to the Prime Minister (Mr. St. Laurent) concerning the national film board, and the Prime Minister had answered, I think, on each occasion that the government was considering the awarding of a contract for the building of the headquarters and operational units. The house will recall that the Massey commission and the J. D. Woods and Gordon company, when they investigated the work of the board some years ago, both recommended that the board should be housed in one building rather than in the eight or nine places they now occupy, and in which they work under quite unsatisfactory conditions. These recommendations were passed upon by a committee of this house something less than two years ago.

In the meantime the government took steps to investigate the sites available, and a property was located in Ville St. Laurent and acquired at a price which, at the moment, has totalled about $256,000. It may cost up to $25,000 or perhaps $30,000 more to negotiate for the remaining pieces of property. At

this point invitations were extended by the Department of Public Works for tenders for the buildings, and several tenders were received, the lowest being $5,230,760. With the expenditure of that amount before it, the government has been considering this question to see if that expenditure is justified, having in mind the operations of the film board and as well the acknowledged fact that private industry in the film trade in Canada has been improving in the quality and quantity of its output. We did give serious consideration to this question, and came to the conclusion that the national film board was producing films of an educational and cultural nature which were providing real advantages to the Canadian people, and that if the film board did not produce these they could not be otherwise produced in Canada.

For that reason, we have decided that this advantage should be continued, and for the benefit of the Canadian people we have authorized the awarding of a contract to the lowest tender in the amount I have mentioned. May I say, sir, that I have only been responsible for the work of the film board in parliament for the past few months. In the study we have made during that time, we have been struck by the remarkably improved efficiency of the film board in the past few years and the much improved public relations which it seems to enjoy with the Canadian taxpayer. I cannot help but take this opportunity, sir, to say that in my opinion this is due not only to the good work of the employees and the present and former commissioners, but in particular to the supervisory and administrative skill of my predecessor, the present Minister of Public Works (Mr. Winters).

Hon. George A. Drew (Leader of the Opposition): The statement made by the minister, Mr. Speaker, raises a point that goes far beyond the awarding of a contract. This subject has been under discussion before, and the answers that were given at that time are a matter of some importance in considering the extent to which parliament is, or should be, brought into the confidence of the government in regard to matters that are of very great public importance.

The minister has referred to the reports of the Massey commission and the J. D. Woods and Gordon company. I would remind the minister that if he will look at the report of the J. D. Woods and Gordon company—which I might say in this case was not regarded as a secret document in regard to some of its contents—it speaks of the bringing together in Ottawa—

Mr. Winters: No, it does not.

Mr. Drew: It speaks of the bringing together in Ottawa of the buildings of the film board. Now, I am not suggesting—

Mr. Winters: On a question of privilege, Mr. Speaker—

Mr. Drew: I am not suggesting, Mr. Speaker, that the finding was a positive recommendation in regard to Ottawa or otherwise; but if the minister will look back at the J. D. Woods and Gordon report he will see a reference to the words "in Ottawa". The minister shakes his head, but I feel sure he will find it. The minister will recall that at the time the J. D. Woods and Gordon company were being called upon to make this investigation there was no suggestion then, so far as we were informed, other than of improved efficiency and integration of the activities of the board, and the bringing together of the functions of the board in a single unit. Now, so far as the recommendations are concerned, they did not place before the house any comparative advantages as between Ottawa and any other city. And I wish to make it abundantly clear that I am not presuming to express an opinion as to where the less desirable site would be. We simply have no information before us.

Attempts that were made by the hon. member for Peterborough (Mr. Fraser) to get information when this item came before the house last year, on April 9, 1953, indicate just how little was available. On that occasion the hon. member for Peterborough pressed the minister responsible for information as to what was contemplated. Let us take a couple of examples just to see how little this house knew about what was then taking place. In response to a question put at that time the minister said, as reported at page 3645 of *Hansard*:

> I am not too sure we have completed purchase of the site.

If he was not, who would be? Then he went on to say:

> I think somebody raised that question earlier in the session and I answered that we were negotiating with two or three parties who are the owners of the site.

This, mark you, was on the occasion when these main estimates were before the house for consideration, a time when, we have been told, the house made a decision in this matter.

Then, on another occasion, when the minister was asked what he thought it would cost, he said:

> I am told that the whole project will cost approximately $5 million . . . We have not completed the purchase of the land and I would not like to give the figures I have here at this time.

That is the last time there was any opportunity for members of this house to obtain positive information. The item passed in the absence of that information.

Then an announcement was subsequently made that a decision had been taken to move this to Ville St. Laurent. That may be an excellent decision or it may not, depending upon what the reasons are; and this house surely has a right to know what reasons motivated the government in coming to that decision.

We have tried on a number of occasions, as hon. members will recall, to obtain information. Hon. members will recall that in the debate on the speech from the throne, when I spoke in opening the debate, I pointed out the absence of information on something which not only involved an expenditure of money but had very important cultural features in connection with it as embraced in the Massey commission's report, to which reference has already been made. My request at that time was denied. No steps were taken to carry out my suggestion.

Then, on January 19 of this year, I directed the attention of the Prime Minister to a press report which had just appeared respecting the national film board, which said that the government was reconsidering its decision. I asked the Prime Minister whether there would be an opportunity to discuss the matter further. His reply, as reported at page 1235 of *Hansard*, is as follows:

> There has been no decision reached in that matter. What is under consideration at the present time is the tenders that were submitted for the construction of a building in Montreal. They are all of a very substantial amount, and the matter that is now under consideration is as to whether or not the government will recommend the appropriations required for that large expenditure at this time.

I then asked:

> Do I understand from what the Prime Minister has said that, having regard to the amount involved, the government may actually be reconsidering whether it will or will not move the national film board from Ottawa?

To that the Prime Minister replied:

> No decision has been reached in that regard, but until the government comes to parliament with a definite recommendation for a definite amount to be expended for a building at a definite place there is always a possibility that changes in the recommendation may be made.

Now, there is both a question of propriety of procedure, and a question of the rights of parliament involved. The Prime Minister said at that time:

> . . . until the government comes to parliament with a definite recommendation for a definite amount to be expended for a building at a definite place there is always a possibility that changes in the recommendation may be made.

Let us assume he thought that changes were not going to be made. It was said that the matter would be laid before parliament before changes were made.

Then, within a few days, in fact the very next day, I read a statement in the press by Mr. Gardiner—this was not the Minister of Agriculture but, I believe, an architect in the Department of Public Works.

Mr. Winters: The chief architect.

Mr. Drew: The chief architect. He said that this matter was going to come before treasury board for recommendation. On that occasion I said:

> In the late afternoon edition of the Ottawa *Journal* I read that the definite recommendation in regard to the adoption of a tender for the construction of the national film board building was definitely going to the treasury board. It seems to me that these statements are inconsistent. Having regard to the general principle involved and the assurance by the Prime Minister that we would have something before us before this move was definite, it seems to me that we should know what the situation is.

To that the Prime Minister replied:

> I would hope that the house would take the statements made by the government in the house in preference to speculative reports by newspapers.

And hon. members in the house on that occasion will I am sure recall the firmness with which the Prime Minister made that statement and the hilarious applause with which his supporters in parliament greeted what was intended to be a rebuke made concerning even the very suggestion that anything contrary to what had been said on January 19 was contemplated.

I feel sure that the Prime Minister did not have the information before him when he made that statement. Then, today, we have the statement of the minister responsible for this, who blandly comes to the house and tells us this, in spite of the assurance by the Prime Minister that, "until the government comes to parliament with a definite recommendation for a definite amount to be expended for a building at a definite place, there is always a possibility that changes in the recommendation may be made".

I think this is a challenge to the rights of parliament concerning information in regard to the business of the people of Canada, and I say that a very real question of privilege arises in that members were misled—I am sure it was unintentional, because I feel sure the Prime Minister was sure that nothing had taken place at that time. But the fact is that now a statement is made by the minister in charge which confirms the announcement to which I referred earlier,

made by the chief architect in the Department of Public Works, that this was going to treasury board in any event.

I recall again the words of the Prime Minister, when that was pointed out to him:

> I would hope that the house would take the statements made by the government in the house in preference to speculative reports by newspapers.

Unfortunately, those speculative reports, as they were called, turned out to be right. On the basis of the Prime Minister's statement, I submit that this house has a right to ask that the government reconsider this decision today. We do not pretend to be in a position to say where this building should go. We have been denied any information. The last time it was up for discussion we were told that the government did not have any plans, although they insisted on the item going through. We have no reasons before us why this should be done and I submit, Mr. Speaker, that both for the purpose of establishing the authority of parliament and for the purpose of doing the business of the people of Canada in an orderly manner, this should be reconsidered. It should be placed before the House of Commons, as was clearly implied by the Prime Minister in the statement on January 19.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to say a word on this. I knew what I was talking about when I made that answer to the Leader of the Opposition here. Tenders always go to the treasury board, but the treasury board had been requested not to act upon this tender until council as a whole had reconsidered the matter. Council as a whole had not reconsidered the matter at that time. Council as a whole has since on two occasions very seriously reconsidered the matter, and the factors which led us to take the responsibility of deciding that we would come to parliament with a recommendation for the appropriation, and we will.

Mr. Drew: Then may I ask of the Prime Minister whether he will tell us what the factors are which have led to this decision?

Mr. St. Laurent: I think that all the declarations such as have been made at this time on this matter have gone just about as far as the rules and the practice of the house will allow. The recommendation to parliament will be in the estimates, and there will be a full opportunity to discuss the whole matter when that estimate is submitted to parliament for its approval or disapproval.

Mr. MacInnis: Mr. Speaker, may I say a word?

Mr. Speaker: Order. The hon. member is entitled to speak, since it is the practice of this house, when a minister makes a statement on the orders of the day, to allow one spokesman for each opposition party to make observations. That was the practice established by my predecessor. I should like to refer hon. members to a statement which I made on November 25, 1953, with respect to a ruling of my predecessor on June 4, 1951, where he said:

> It is not customary to allow a debate on a statement made at this stage of the proceedings. I have allowed the Leader of the Opposition and the leaders of the other two groups to speak, but it is not customary to permit other hon. members to do so.

I have extended this privilege to a spokesman for each party because, as we know, sometimes an hon. member other than the leader of his party is a specialist on certain subjects. I therefore say it is fairer to establish the practice of having a spokesman for each party speak on the matter.

Later on in the same debate Mr. Speaker Macdonald had this to say:

> Of course I cannot allow a debate on it at this time. We cannot generalize.

Since a statement has been made by the Minister of Citizenship and Immigration (Mr. Harris) and since the Leader of the Opposition has spoken on the matter I will now see a spokesman for the C.C.F. party and also a spokesman for the Social Credit party, if one wishes to speak, and I would imagine that the matter should rest there for the moment.

Mr. Angus MacInnis (Vancouver-Kingsway): I was not rising to speak on this subject, Mr. Speaker. I was rising to protest on a point of order, or on a question of privilege, whichever you would care to recognize, about this way of carrying on debate. If this question should be debated we should ask for a time to debate it so that all hon. members would have equal opportunity to express their views on it. This is not something that happened just today. It is almost a daily occurrence in this house. It often happens that the Leader of the Opposition and some minister of the crown talk across the floor on some question that should be debated by hon. members. Perhaps some of the fault today rests with the minister because of the time he chose to make his statement. I do not believe it should have been made on motions, in answer to a question. It should have been made after the questions were disposed of. If it was a question asked on the orders of the day, the answer should have been given then. But my chief contention is that no

provision is made in the rules of this house for such debates as have been continually carried on in this house in the past.

Mr. Drew: Mr. Speaker, on a point of order—

Mr. Speaker: Order. If the hon. member for Vancouver-Kingsway rose not to speak to the statement but on a point of order, that is different. If there are other remarks strictly directed to the point of order, I shall listen to them.

Mr. Drew: My remarks are exclusively directed to the point of order. I would recall that the practice which has developed is one which should be understood by all hon. members because it relates to the requests that have been made for some opportunity to debate things that come before the house. I would point out that under the rules, wisely or unwisely, no provision is made by which a minister has a higher right to rise and make a statement than any other hon. member. That was pointed out, and it was also pointed out that if we were to accord the courtesy to a minister to make a statement before the orders of the day, then it was only appropriate that there be an opportunity to make some observations in regard to that statement.

An hon. Member: How often do you want to do it?

Mr. Drew: I would point out, Mr. Speaker, that so far as these discussions are concerned my own recommendations some time ago were that we find a device by which, on some substantive motion, matters of the kind could be brought forward. Unfortunately, that has not been dealt with. It would only be necessary for any member to object to the minister making the statement to prevent the statement being made. We do not want to raise such an objection; we want the statement to be made. But it was pointed out at that time when this was under discussion before, and when Mr. Speaker Macdonald made the ruling, that we would be ready and willing to accord unanimous consent to the introduction of statements of this kind so long as an opportunity to make observations on them were provided in this way. It was upon that basis that the ruling was made. I submit that anything else would be really a challenge to the concept of parliament as a parliament of government and opposition.

If statements could be made by unanimous consent with no observations on the other side, we could get a steady procession of statements of this nature without any opportunity to correct or to make observations that would be related to them. That was the basis on which Mr. Speaker Macdonald made the ruling. I have no desire to see this practice changed, but I would equally point out that if the practice of ministers making statements of this sort, without a substantive motion, is to continue, then obviously the practice of giving opportunity for some reply or some observation should continue as well.

Mr. Winters: May I now state my question of privilege having to do with the interpretation placed on the use of the words "in Ottawa" in the report submitted by J. D. Woods and Gordon.

Mr. Diefenbaker: The hon. member for Ottawa West should explain that.

Mr. Coldwell: I rise on a point of order.

Mr. Winters: My question is one of privilege. It has to do with the statement made by the Leader of the Opposition, in which he said the words were there and implied I said they were not there. Mr. Speaker, the words "in Ottawa" are in the report. The film board has operations all over this country. I well know that the author of the report intended the words to mean that the operations of the board here in Ottawa should be assembled under one roof; but he did not mean that they should be assembled under one roof in Ottawa. There is quite a difference, Mr. Speaker.

Mr. Speaker: The hon. member for Rosetown-Biggar wishes to raise a point?

Mr. Coldwell: I think what is happening—

Mr. Drew: On a question of privilege, I think that answer should be amplified.

Mr. Coldwell: I think what is happening this afternoon illustrates the difficulties we are in. This has developed into a debate, and there are others who want to participate in this debate. I want to participate in this debate. While the Leader of the Opposition occupies an official place in this house, I do not think the whole discussion on matters of this sort should be confined to the Leader of the Opposition. Mr. Speaker, if I may ask the minister a question, I should like to ask him whether this contract will be let before the estimates are before the house for approval by the house. Can he tell us in any event, particularly if his answer is in the negative, what will be the total cost of this project and the removal of the staff to Montreal? Further, to what extent, if any, is Central Mortgage and Housing involved in the purchase of land for the housing of staff and employees in Ville St. Laurent?

Mr. Speaker: Order. I am sorry, but I think there comes a time when a decision must

be made. I think that time has arrived. The question asked by the hon. member for Rosetown-Biggar (Mr. Coldwell) is on *Hansard* and if unanimous consent is given the minister can answer. It is difficult for the Speaker to diagnose exactly the type of statement which my predecessor had in mind when he made his ruling. Personally I do not think that the statement made by the Minister of Citizenship and Immigration (Mr. Harris) today was the type of statement that Mr. Speaker Macdonald had in mind when he made his ruling. Nevertheless, had I jumped to my feet at the time to try to explain that, I am sure there would have been some objection.

Hon. members will recall that until two years ago it was an old tradition of this house that ministers were entitled to make statements about public affairs when motions were called and no replies were allowed by any member of the house to ministerial statements. Following representations that were offered, Mr. Speaker Macdonald gave the ruling I referred to, namely that when a minister makes a statement the leaders of the various groups will be allowed to reply.

Perhaps that is not the type of ruling that gives satisfaction because hon. members can always stand up and say that they have equal rights in the house. While the Prime Minister (Mr. St. Laurent), ministers of the government and the Leader of the Opposition (Mr. Drew) may be considered to be in a different position under our rules, nevertheless the principal rule is that all hon. members are equal and have equal rights. Therefore, if one hon. member is allowed to speak, why should not I allow others to speak? That is why, in the light of that ruling, on the first occasion a statement was made in this house by a minister after I took office I made this statement, which I repeat, which is to be found at page 329 of *Hansard* of November 25, 1953:

> Before the Leader of the Opposition speaks, and since this is the first occasion that has arisen where a minister has made a statement before the orders of the day are called, I should like to remind hon. members that in the last parliament, when an important statement was made, the leaders of the three opposition parties were permitted to take part in the debate; that is, to ask questions or to make comments. I should like to refer hon. members to page 3669 of *Hansard* of June 4, 1951, where Mr. Speaker Macdonald said:
>
> "It is not customary to allow a debate on a statement at this stage of the proceedings. I have allowed the Leader of the Opposition and the leaders of the other two groups to speak, but it is not customary to permit other hon. members to do so."
>
> I should like this gentleman's agreement to be adhered to, if it is possible, following the statement.

And further, on a different occasion, Mr. Speaker Macdonald also ruled that a debate cannot be generalized. He said, as reported on page 411 of *Hansard* of December 8, 1952:

> "I think now the house is entering upon a debate on the subject."

That had to do with television. I continue to quote:

> Mr. Speaker Macdonald went on to say:
>
> "Of course I cannot allow a debate on it at this time. The remarks of the Leader of the Opposition (Mr. Drew) should be directed strictly to the statement which has been read. We cannot generalize."
>
> With these previous rulings as a guide, I will ask the Leader of the Opposition to make his comments.

If I may say so, I have extended this gentleman's agreement, not only to the leaders of the three opposition parties but to the spokesman for each party. It is known that on all matters of housing, for instance, the hon. member for Eglinton (Mr. Fleming) might be the one called upon to speak on behalf of the Conservative party. On matters pertaining to transport, the hon. member for Vancouver-Quadra (Mr. Green) might be the one called upon to speak on behalf of his party. That is the limit to which I think I should go in interpreting the spirit and the letter of that ruling.

But when hon. members claim that this practice which has now been established is going too far and is detrimental to the rights of private members in this house, it may well be that the house should consider whether or not we had better revert to the old traditional practice whereby a minister made his statement and no debate was permitted from the other side of the house or on the part of any private member. I should like to leave this for the consideration of the house. Precedents are being established in two ways: First, by Mr. Speaker through his rulings and, second, by hon. members taking certain attitudes on various occasions.

We have come to a situation where, if we cannot have the gentleman's agreement adhered to, under which a minister would make a statement and a spokesman for each opposition party would reply; if that arrangement is not satisfactory, I am announcing now I shall have to consider going back to the practice which was honoured before of not allowing anyone to speak following the minister.

Mr. Drew: Mr. Speaker, before you depart from that, do you wish any comments on this? I ask, because it is an important matter. We have statements made almost every day by ministers, and as I understand it you are not making any ruling at the moment. I assume that you will accept written submissions in regard to this matter now before us.

Mr. Speaker: I do not wish to have the matter debated now. I am merely saying that

the practice has developed whereby a spokesman for each party or the leader of each opposition party was allowed to make observations directly related to a statement made by the minister. I am quite willing to carry on with that arrangement, but if it is violated too often I shall have to assume the responsibility, and I so announce now, of deciding that if the gentleman's agreement is not adhered to properly we will revert to the old practice of allowing a minister to make a statement but not allowing any other member to comment upon it.

[*Later:*]

On the orders of the day:

Mr. Coldwell: Mr. Speaker, may I now ask the Minister of Citizenship and Immigration (Mr. Harris) what the total cost of this project will be, and the related question as to whether arrangements have been made by or with the approval of Central Mortgage for the acquisition of land for the building of homes for the employees, and if the contract will be let before the estimates come before the house for approval?

Mr. Harris: Mr. Speaker, the estimated cost of the move is of course just an estimate. There will be the cost of moving equipment from Ottawa and the cost of moving personnel. In addition to that, there will be the purchase of furniture which is not now owned by the board because of the quarters they now occupy, and it is difficult to put any firm figure on all these matters. However, it is thought that all that may run to $500,000, including furnishings. I am informed by the Minister of Public Works (Mr. Winters) that no arrangements have been made up to the present time through Central Mortgage for the housing of the employees.

MEMBERS OF PARLIAMENT

AMENDMENT TO PREVENT INCREASE IN MAXIMUM RETIRING ALLOWANCE

Right Hon. L. S. St. Laurent (Prime Minister) moved for leave to introduce Bill No. 176, to amend the Members of Parliament Retiring Allowances Act.

Some hon. Members: Explain.

Mr. St. Laurent: Mr. Speaker, when the banking and commerce committee in 1952 recommended the bill which became the Members of Parliament Retiring Allowances Act it was drafted in such a way that if an adjustment upward or downward was made subsequently to members' indemnities their contributions to the retiring fund and the matching contributions of the government would be increased or decreased in the same proportion and so eventually would be the retiring allowances for those who ultimately became entitled to receive them.

It was felt that such proportionate adjustment in the contributions without any shortening of the period during which they were made would bring about a situation where the fund would remain actuarially sound and self-supporting, because only a small number of the many contributors were expected to ever become entitled to retiring allowances.

We have now reason to believe that that was the best kind of forecast that could be made at that time, but after all it was only a forecast and we do not think that there should be any automatic change in the contributions or ultimate possible effects at this time.

The purpose of this bill is to recommend amendments to the act to prevent any change in its operation or any increase in the maximum allowance from taking place automatically as a result of changes in the sessional indemnity proposed by Bill No. 171 now before us.

Motion agreed to and bill read the first time.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 174, respecting the Great Lakes Reinsurance Company.—Mr. Richard (Ottawa East).

QUESTIONS

IMPORTS OF U.S. VEGETABLES—EMBARGO

Mr. Zaplitny:

1. Has the government received representations from the vegetable growers association of Manitoba, requesting a seasonal embargo on American vegetable imports into Canada?
2. If so, what action has been taken?

Mr. Pickersgill:

1. No.
2. Answered by No. 1.

TRANS-CANADA HIGHWAY, FORT WILLIAM

Mr. Thatcher:

1. What federal moneys have been paid to date in respect of each of the 14 contractors working on construction of the trans-Canada highway in the Fort William district?
2. What federal moneys have been held back in respect of each contractor?
3. When was each contract let and what are the general specifications of each contract?

Mr. Bourget:

No.	Contractor	Total approved commitment	Canada's share	Amount paid by Canada	Estimated unpaid balance	Date contract let	General specifications
1	Wolfe Const. Co	776,494.19	388,247.10	333,253.95	54,993.15	June 21/49	Grading
2	Wolfe Const. Co	1,362,984.00	681,492.00	590,612.59	90,879.41	Feb. 27/50	"
3	Fort York Const. Co	476,135.00	238,067.50	232,722.84	5,344.66	May 5/50	"
4	Wolfe Const. Co	1,335,185.00	667,592.50	243,891.52	423,700.98	Dec. 22/50	"
5	Tomlinson Bros	1,516,020.00	758,010.00	329,701.01	428,308.99	Dec. 22/50	"
6	Tomlinson Bros	941,497.50	470,748.75	167,874.85	302,873.90	Dec. 22/50	"
7	Hewitson Const. Co	416,078.27	208,039.13	207,907.02	132.11	Apr. 24/50	"
8	Thunder Bay Harbour Improvement Co	103,000.00	51,500.00	Nil	51,500.00	Nov. 21/50	Overpass
9	Hacquoils	797,051.00	398,525.50	Nil	398,525.50	July 17/53	Grading
10	H. J. McFarland Const. Co	977,105.61	488,552.81	318,052.46	170,500.35	June 9/50	Grading and paving
11	Tomlinson Bros	71,842.50	35,921.25	29,548.92	6,372.33	Sept. 6/50	Bridge
12	Standard Paving	1,547,222.00	773,611.00	617,808.51	155,802.49	June 13/50	Grading and paving
13	Sarnia Bridge Co	33,574.00	16,787.00	16,687.00	100.00	Nov. 23/50	Bridge
14	Hacquoils	70,159.00	35,079.50	Nil	35,079.50	Sept. 10/53	"
		10,424,348.07	5,212,174.04	3,088,060.67	2,124,113.37		

Questions

P.F.R.A.—EXTENSION TO BRITISH COLUMBIA

Mr. Jones:

1. Has the government received a request from the provincial government of British Columbia, asking for the extension of P.F.R.A. facilities to that province? If so, when?

2. Has the government indicated its willingness to extend this service to British Columbia?

Mr. McCubbin:

1. The Prairie Farm Rehabilitation Act was passed in 1935 to provide for the rehabilitation of the drought and soil drifting areas in the provinces of Manitoba, Saskatchewan, and Alberta only. It enabled the undertaking, over a five-year period, of methods of farm practice and water development to minimize the very serious problems of drought and soil drifting that existed there at the time, in the area commonly referred to as the Palliser triangle.

An amendment in 1937 extended the activities to the withdrawal of poor lands from cultivation, and to the resettlement elsewhere, of farmers from such lands in the drought area. Provision was also made to organize those vacated lands into community pastures, and the act was further amended in 1939 removing the five-year time limitation but the pastures were confined to the drought area as above.

Representations have been made on a number of occasions in past years for the extension of the P.F.R.A. area to all of the prairie provinces as well as to British Columbia. The last request received from British Columbia was in a letter dated February 2, 1953, from Hon. R. E. Sommers, minister of lands and forests. The Minister of Agriculture replied to this letter on February 6, 1953, stating that the government has had this matter under consideration for some time and that until a decision had been reached specific problems in that province would be dealt with by special parliamentary appropriations as in the past.

In British Columbia a serious flood problem developed some years ago in the Lillooet-Pemberton district. In response to representations from the province and the district a special parliamentary appropriation was provided over a number of years for the construction of flood control works and to March 31, 1953, the total expenditure was $1,163,811. Another parliamentary appropriation for special projects in British Columbia, that has been provided for a number of years, is that for the development of irrigation projects for the rehabilitation of veterans. Expenditures to March 31, 1953, under this vote amounted to $1,574,715, and 2,797 acres on seven projects have been developed for irrigation, providing locations for 304 veterans of world war II.

2. See answer to No. 1.

APPLICATIONS TO CLOSE RAILWAY STATIONS

Mr. Weir:

1. How many applications, if any, have been made in the calendar years 1952 and 1953 by the railways to the board of transport commissioners to close stations in Manitoba, Saskatchewan and Alberta?

2. How many applications were made by the Canadian National Railways?

3. How many applications were made by the Canadian Pacific Railway?

4. What are the names and the net revenues of the stations in Manitoba for which applications to close have been approved in the years 1952 and 1953?

Mr. Chevrier:

1. Four applications to close stations and 18 to replace agent with caretaker.

2. Three applications from the Canadian National Railways to close stations and 18 applications to replace agent with caretaker.

3. One application to close station.

4. Application to close station

Station	Gross revenues
Hallboro	May 1951 to April 1952: $740.

Applications to replace station agent with caretaker

Station	Gross revenues
Grosse Isle	April 1951 to March 1952: $17,024.
Isabella	May 1951 to April 1952: $36,500.
Margaret	Nov. 1951 to Oct. 1952: $21,758.
Deloraine	August 1951 to July 1952: $7,082.
Holmfield	May 1951 to April 1952: $1,792.
Neelin	August 1951 to July 1952: $20,050.
Shellmouth	Jan. to Dec. 1952: $19,314.
Dugald	Jan. to Dec. 1952: $12,299.

NOTE: Net revenues not available.

NATIONAL FILM BOARD

Mr. Fulton:

1. Has the attention of the responsible minister been called to a report on national film board activities appearing in the Ottawa *Journal* of December 26, 1953, and a confirming report in *Newsweek* magazine of January 18, 1954?

2. Has the national film board under active consideration the production of dramatized feature films, as distinct from the present documentary type, one of the main developments of which would be the substitution of dialogue and acting for commentary?

3. Would this program call for the employment of professional actors and actresses?

4. Does the program envisage the sale of such films in Canada and foreign markets in competition with commercial productions of this and other countries?

Mr. Harris:

1. Yes.

2. Documentary features such as "Royal Journey", "R.C.M.P. File 1365" and "Canada at the Coronation" have been highly commended and similar documentaries will be produced as occasion may arise. No other features are contemplated.

3. Answered by No. 2.

4. Answered by No. 2.

LIFE INSURANCE COMPANIES—UNCLAIMED BALANCES

Mr. Noseworthy:

1. What is the accumulated amount of unclaimed balances on the books of life insurance companies doing business in Canada at the present time resulting from: (a) unclaimed matured endowments; (b) unclaimed surrender value of policies; (c) unclaimed dividends; (d) unclaimed annuity contracts?

2. Are any such lists published periodically by either insurance companies or the office of the superintendent of insurance, as is done, for example, in the case of unclaimed bank deposits?

Mr. Benidickson:

1. Not of government record.

2. No.

CANADA HOUSE, LONDON—LETTERS OF INTRODUCTION

Mr. Pearkes:

1. Are letters of introduction issued from Canada House, London, England, to Canadian citizens travelling to certain foreign countries?

2. What fee, if any, is charged for these letters?

3. How many such letters of introduction have been issued during 1952 and 1953?

4. What is the total sum collected from the issuance of letters of introduction from Canada House during such period?

5. What disposition is made of any moneys obtained from the issuance of such letters of introduction?

6. Do any other Canadian embassies charge a fee for issuing letters of introduction? If so, what is the total amount collected during the years 1952 and 1953?

Mr. Pearson:

1. It is not the general practice of Canada House or other Canadian posts abroad to issue letters of introduction except in a few cases mainly on a personal basis for which naturally no fee is charged. It is possible the hon. member for Esquimalt-Saanich refers to letters to foreign authorities requesting assistance in obtaining a visa, exit permit or similar document or service. These are included among the many consular services for which, according to general international practice, there is a nominal fee.

2. Fifty cents, except in cases of government officials, servicemen and dependents, to whom such letters are issued free of charge.

3. 1952—13 with fee; 80 gratis.
1953— 2 with fee; 53 gratis.

4. 1952—$6.50.
1953— 1.00.

5. Deposited to revenue account and thus become a part of the consolidated revenue fund of Canada.

6. Yes. In 1952, $49.75, and in 1953, $28.00.

IMMIGRATION

Mr. Dufresne:

1. Was the Minister of Citizenship and Immigration outlining certain phases of government policy on immigration in an address delivered before members of Knox Presbyterian church, St. Thomas, Ontario, on January 11, 1954?

2. Does the government intend to maintain the demographic balance between Canadians of French origin and those of British origin to the proportions which existed in 1867?

Mr. Harris:

1. Yes.

2. The purpose of immigration is to foster the growth of Canada by admitting such persons as can readily be absorbed into our national economy, and in that connection immigrants from the British Isles and France are subject to the same immigration laws.

In 1871 the number of persons in Canada of British origin was 2,110,502 or 60·5 per cent of the total population. Of French origin the number was 1,082,540 or 31·1 per cent of the total population. In 1951 the numbers and percentages were: British origin—6,709,685 or 47·9 per cent; French origin—4,319,167 or 30·8 per cent.

BEEF—SALE TO ENGLAND

Mr. LaCroix:

1. Is beef being sold to England by the Canadian government at 15 cents per pound?

2. If so, what is the cost to the Canadian government of such beef?

3. Will the government make available a quantity of beef at 15 cents per pound to relief organizations to be supplied to unemployed in various districts in the province of Quebec?

4. If not, for what reason?

Mr. McCubbin:

1. In December, 1953, a sale of approximately 8 million pounds of frozen beef was made to the British Ministry of Food at a price of approximately 15 cents per pound.

This sale disposed of the last of the beef purchased by the government for the purpose of supporting prices of cattle during the time that cattle and meat shipments to the United States were under embargo due to the outbreak of foot-and-mouth disease in western Canada. This was in keeping with prices paid for New Zealand beef by the British Ministry of Food.

2. The average cost of all carcass beef acquired by the government during the period of the embargo mentioned in the answer to question 1 was 45 cents per pound.

3. The government does not now own any beef which was acquired as described in the answer to question 1.

4. See answer to No. 1.

LEPROSY

Mr. Thatcher:

1. During the last fiscal year, how many patients suffering leprosy were treated in the two institutions where lepers are hospitalized?
2. What was the total cost to the government of providing this treatment?
3. How many permanent employees are engaged by the federal government in the institutions mentioned?

Mr. Robertson:

1. Eight.

2. $18,202.

3. Two permanent employees are engaged at the department's leprosarium at Bentinck island, B.C. The patients at Tracadie, N.B., are cared for at L'Hotel Dieu de Tracadie on a per diem rate basis.

BUTTER

Mr. Fraser (Peterborough):

1. How much butter produced in 1952 did the government hold on (a) September 1, 1953; (b) December 1, 1953; (c) January 1, 1954?
2. How much butter produced in 1952 and 1953 did the government hold on January 1, 1954?

Mr. McCubbin:

1. (a) August 31, 1953, 19,020,823 pounds; (b) November 30, 1953, 18,169,114 pounds; (c) December 31, 1953, 15,184,431 pounds.

2. December 31, 1953, 49,185,163 pounds.

NATIONAL HEALTH WEEK

Mr. Henry:

1. What is the nature, extent and purpose of national health week?
2. By whom is it organized?
3. To what extent does the federal government co-operate therein?

Mr. Robertson:

1 and 2. National health week has been organized and sponsored each year for the past 9 years by the Health League of Canada, a voluntary organization with headquarters in Toronto. This is a week of concentrated promotional effort directed to making Canadians more aware of the value of good health to themselves, to their families and to their communities.

The federal department of health, the provincial departments of health, churches, educational leaders, service clubs, women's and men's voluntary organizations, the press, the radio, the moving picture industry, and other commercial firms co-operate with the health league in carrying messages on many health topics to the Canadian people.

3. In addition to the annual grant of $10,000 to the Health League of Canada for the furtherance of its work which is made by the federal government the Department of National Health and Welfare supports the efforts of the league in promoting national health week by such methods as producing a special newsclip to be added to theatre newsreels during the week, providing a statement by the minister supporting the aims of the week, running a feature article in the departmental magazine "Canada's Health and Welfare", and publicizing the week in the monthly budget of national health radio notes provided to radio stations and in Canada's health column provided to weekly newspapers.

MOTIONS FOR PAPERS

FISH SCREENS, BRITISH COLUMBIA

Mr. Fulton:

For a copy of all letters, telegrams, memoranda or telephone calls, etc., exchanged between the minister or the Department of Fisheries and any person or organization outside the dominion government service, since December 5, 1952, concerning the installation of fish screens on rivers and streams in the Nicola valley or elsewhere in British Columbia.

SOUTH SASKATCHEWAN DAM

Mr. Diefenbaker:

For a copy of all correspondence and telegrams, in connection with the South Saskatchewan dam and irrigation project, that passed between any department of the federal government and the government of Saskatchewan and/or with contractors or engineers, since the 10th of August, 1953.

GOVERNMENT COMMUNICATIONS, B.C.—SALE

Mr. Winch:

For a copy of contracts made by the government of Canada with the British Columbia Telephone Company and the Canadian National Telegraphs, relative to the purchase by the said companies of the telegraph and telephone lines owned by the government of Canada in the province of British Columbia.

Mr. Chevrier: Mr. Speaker, there is no information available in answer to the order which my hon. friend seeks. The hon. member will probably remember that I have already stated that an offer has been accepted by the government for the sale of the assets of the government telephone and telegraph services in British Columbia, but subject to the conditions of an agreement being ironed out. That agreement is still in the course of preparation, and until it is prepared there is certainly no information I can give at this time.

Mr. Speaker: Shall the motion be dropped?

Some hon. Members: Yes.

Mr. Speaker: Dropped.

NORTHWEST ATLANTIC FISHERIES

MEASURE TO IMPLEMENT INTERNATIONAL CONVENTION

Hon. Robert H. Winters (for the Minister of Fisheries) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to implement the international convention for the northwest Atlantic fisheries, signed in Washington on February 8, 1949, and ratified July 3, 1950, following approval by parliament.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

THE BUDGET—THE ESTIMATES

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance (Mr. Abbott). Is the minister yet in a position to tell the house when the estimates will be tabled and also when the budget will be brought down?

Hon. Douglas Abbott (Minister of Finance): I am in a position to inform the house that I expect to table the estimates by Friday next. As to when the budget will be brought down, that is still a matter for conjecture.

Mr. Knowles: It was February 19 last year, you remember.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO PRESENT POSITION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to direct a question to the Prime Minister (Mr. St. Laurent) and ask him what is the position of the negotiations as between the dominion government and the government of Saskatchewan in regard to the question of division of responsibility for the cost of construction of the South Saskatchewan river dam and irrigation project; whether the committee is now sitting; and generally whether contractors have been approached for estimates in connection with this work.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I understand there have been verbal negotiations between our own Minister of Agriculture (Mr. Gardiner) and representatives of the Saskatchewan government. I think, however, the hon. member may be better informed if the Minister of Agriculture answers his question.

Right Hon. J. G. Gardiner (Minister of Agriculture): Hon. members will recall that on April 27, 1953, as found at page 4444 of *Hansard*, I placed on the record a letter which had been written to the premier of Saskatchewan setting forth the government's position at that time. I do not think it is necessary for me to read the first half of the letter as it does not bear upon this particular point, but the last half does and I think I should read it again. Dealing with the report of the royal commission, it says:

The report has been tabled in the House of Commons and has given rise to very diverging views about the soundness of the project. Your government has prepared a document which is quite critical of the report and you have written the Prime Minister that your government feels the project should be proceeded with notwithstanding the report of the royal commission.

Since this is your view, the federal government is prepared to consider a definite proposal from the provincial government for co-operation in the project and I am authorized by my colleagues to discuss such a proposal with you once the question of water rights has been settled among the three prairie provinces and agreement reached that the water would be available for the project.

I may say in passing that the terms of that particular paragraph have since been met.

Any proposal put forward by the province should make it clear what contribution to the cost of the dam itself the province is prepared to make to remove any element of federal subsidy for the production of power since power development could obviously not be subsidized in one province unless the federal authorities were prepared to provide similar subsidies in all provinces and federal subsidies for power development are contrary to present government policy.

That is one of the paragraphs still under consideration, and which I presume the hon. member for Prince Albert has in mind in asking the question. I continue:

You will appreciate that any federal contribution would also have to be limited, as in the St. Mary's

and Bow River projects, to works for the conservation of the water and that we could not justify the expenditure of money raised from taxes all over Canada until the provincial authorities had prepared a practical scheme for the distribution system which gave reasonable evidence that the water would actually be used for irrigation on a scale which would justify the expenditure of national funds.

The fifth paragraph reads as follows:

Any proposal would, of course, have to include some satisfactory means of determining in advance what the total cost of the project would be, and what the federal share of the cost would be. This would be essential so that there was no open-ended commitment which might result in the final costs being far greater than anything either government would regard as reasonable.

On these conditions as prerequisites the federal government is prepared to discuss the project further with the government of Saskatchewan.

As the Prime Minister has said, these matters have been discussed on one occasion since. Paragraphs 2 and 4 have been cleared in so far as the two governments are concerned, but paragraphs 3 and 5 are still the subject of consultation between them. I do not know whether I should read the two letters which I had it in mind to read as a result of the hon. member for Prince Albert asking that these letters be made available and the answer given, or whether we should get the consent of the province for the publication of the different letters. I am inclined to think, however—

Mr. Coldwell: Is the minister going to read them without the consent of the province? I have objected from time to time to getting the consent of the province, but if you obtain consent in one instance I think you have got to get consent in all instances.

Mr. Gardiner: I was just going to say that I think consent should be secured for any other letters, but in so far as these two letters are concerned I am quite sure the provincial government would not take any objection to their being published and being used to answer the question. With your consent, Mr. Prime Minister, I think I might read the letters. They are not very long.

Mr. Speaker: Order. Perhaps the minister or the hon. member for Prince Albert might help me. A little while ago we passed a motion in the name of the hon. member for Prince Albert for a copy of all correspondence and telegrams in connection with the South Saskatchewan dam and irrigation project that passed between any department of the federal government and the government of Saskatchewan and/or with contractors or engineers, since the 10th of August, 1953. If that order covers the letters referred to by the minister, why not produce them with the order passed by the house instead of reading them now?

[Mr. Gardiner.]

Mr. Gardiner: I am quite satisfied to have it so decided. That was what I was suggesting a moment ago. I simply say that as far as these two letters are concerned I do not think any objection would be taken, but in view of the motion passed a few minutes ago I think your ruling is correct.

Mr. Diefenbaker: I should like to ask a supplementary question because apparently these matters were referred to in detail in Regina the other day. Did the Saskatchewan government make an offer as to the amount that it is prepared to expend in connection with power and also with respect to irrigation, and was that offer withdrawn at the request of the government of Canada?

Mr. Speaker: May I ask the hon. member for Prince Albert what the objection is to putting this question on the order paper? It is not a matter of urgency. It seems to me these details could be obtained by a question put on the order paper and answered in the ordinary course of affairs.

Mr. Diefenbaker: Mr. Speaker, there is always urgency in Saskatchewan regarding this matter.

SENATE AND HOUSE OF COMMONS

AMENDMENTS TO INCREASE SALARIES OF SPEAKERS AND DEPUTY SPEAKER, SESSIONAL ALLOWANCES OF MEMBERS, ETC.

Right Hon. L. S. St. Laurent (Prime Minister) moved the second reading of Bill No. 171, to amend the Senate and House of Commons Act.

He said: Mr. Speaker, when the resolution preceding the introduction of this bill was before the house almost a week ago I made quite a full statement of the government's reasons for recommending an increase in the indemnity payable to members of parliament, and I do not have very much to add at this time. From the debate that took place then I think there seemed to be pretty general agreement that it would be proper to have an increase in the indemnity provided at the present time at least for the members of this house of parliament. But there were diverging views as to how that should be brought about.

For instance, I gathered from the remarks of the Leader of the Opposition (Mr. Drew)—and I want to be quite fair in the summary I propose to make—that he recognized that all the factors I had mentioned as having a bearing upon the adequacy of the indemnity had been fairly stated and that it was proper that there should be an indemnity that would, in proper fashion, take care of all those

factors. But apparently he felt that the question was what should be the amount of indemnity that would do that and that it would be preferable to set up a royal commission or some other forum where a factual inquiry might be made before parliament itself attempted to deal with the matter.

The hon. member for Rosetown-Biggar (Mr. Coldwell) pointed out that during the preceding parliament, over a period of four years, there had been six sessions for which sessional allowances had been paid. This meant, in fact, that $24,000 in allowances had been paid out, and that made an average of $6,000 per annum. He seemed to express the view that that might be sufficient. There were some hon. members who felt there should be no attempt at this time to increase these indemnities. When the question was put to a vote there were 37 votes recorded against it, but I got the impression that that was not because every one of the 37 felt that something should not be done but rather because of the suggestion by some hon. members that this was a wrapped-up package. They did not like the wrapped-up package. Now, we have these bills before us, and the exact contents are fully unwrapped. If the bill gets second reading, it has to be considered in committee.

At this time we have to consider the principle of this bill. The principle is that the time has arrived when something should be done to stabilize the sessional allowances on a yearly basis, and that yearly basis should be larger than the present allowance for a single session. The second principle is that the indemnity should be the same for the members of both houses of parliament. Then, the bill incidentally provides that the recognized officers of the houses of parliament, the Speakers and the leaders of the opposition, should receive an increase that would be proportionate to what has been done in the past when the indemnity of members themselves has been dealt with.

There is not very much I wish to add, but I should like to deal with three points. First of all, I should like to point out that it is only at rare intervals that parliament attempts to deal with this matter of the indemnity. Secondly, I should like to give some reasons why, in drawing up the bill, the government did not recommend that there be any discrimination between the amount of the indemnity paid to the members of this house and the amount of the indemnity paid to the members of the Senate. Thirdly, I would wish to suggest that we do consider that this is a problem for which it is proper for parliament to take its full responsibility, and which it is proper to deal with itself.

As to the first point, I should say there have not been many attempts since confederation to vary the indemnity provided for members of parliament. At the time of confederation the indemnity was fixed at $600. Incidentally, in all these cases the same scale has been applicable to both houses of parliament. The indemnity remained at $600 from 1867 to 1873, when it was increased from $600 to $1,000. Percentagewise, this meant an increase of 66⅔ per cent. The indemnity remained at $1,000 from 1873 to 1900.

Mr. Fleming: The sessional indemnity?

Mr. St. Laurent: The sessional indemnity.

Mr. Fleming: Not annually?

Mr. St. Laurent: No, it was a sessional indemnity. I believe this is the first time the suggestion has been made that the allowance of members of parliament for attending a session should be put on an annual basis, and that there be only one allowance in any period of 12 months even if it does become necessary for parliament to be called more than once in that period.

In 1873 the sum of $1,000 was set, and that remained the sessional allowance of the members of both houses of parliament up to the year 1900 when it was increased by 50 per cent to $1,500. In 1905 it was found that the increase from $1,000 to $1,500 had been quite insufficient, and at that time it was raised to $2,500. This sum remained the sessional allowance for the next 15 years, until 1920, when it was increased from $2,500 to $4,000. This allowance has persisted up until today, with the exception that in 1945 an expense allowance of $2,000 per annum was added.

It is not proposed to change this expense allowance in any way, but it is proposed to increase the indemnity from $4,000 to $8,000, thus making a total of $10,000 instead of $6,000. This increase percentagewise is in accord with the previous increases, about 66⅔, and it is about 33 years since the $4,000 sessional allowance was set. I suggest that it is always delicate to have to deal with this subject, and it is not one that should be under review very frequently. In the 87 years since confederation, it has been reviewed in 1873, 1900, 1905, 1920 and 1945. I think most members would feel that when the subject was dealt with it was dealt with not for themselves but for a period, as being what they thought the right thing to do for a period. If we are going to do anything at all about it, I believe it is desirable to try to do something that will endure as long as what was done by our predecessors.

The second point is, why should members of the other branch of parliament receive the

same indemnity as the members of this house? Since confederation, that has always been the case. Perhaps that, in itself, is not a sufficient reason. But what does appear to me to be a sufficient reason is that the four provinces stated, as expressly set out in the British North America Act, that it was their desire to be federally united into one dominion under the crown of the United Kingdom, Great Britain and Ireland, with a constitution similar in principle to that of the United Kingdom. The parliament of the United Kingdom has been a two-chamber parliament as long as it has been a parliament, I believe—and that is for many centuries. The act itself, carrying out that principle, and that construction of the principle, provided that there shall be one parliament for Canada consisting of the queen, an upper house styled the Senate, and the House of Commons.

Now, that was the constitution that the fathers of confederation represented as being the one desired by the Canadian public. That constitution has operated now in this country for 87 years; and I, for one, feel grateful that the fathers of confederation did recommend at that time that the constitution for the parliament of this new federal dominion under the crown should be similar in principle to that of the parliament at Westminster. I think the parliament at Westminster has been the model of all successful democratic parliaments that have been established in the world since that time.

I know that questions have arisen from time to time about the portion of the work of parliament that is effectively done by the members of the Senate. Well, it must be recognized that the situations in the two houses are somewhat different and in consequence, though they both have responsibilities to the Canadian people, they have responsibilities of a different aspect concerning each of them.

We in this house are elected in our constituencies; the members in the other house are appointed. They are appointed, under the constitution, to their seats in the other house for life tenure. But because we are an elected chamber, then this chamber has the privilege, the right, the obligation and the responsibility of initiating all fiscal policies. And because we are elected it is our responsibility in this house—a responsibility that has been recognized from the earliest days of Canadian parliaments—to use this house as a forum where what takes place will help to form the opinion of the electorate of the country as to whether or not they should retain their confidence in those who constitute the government, or whether they should come to the conclusion that that government is no longer worthy of their confidence.

I think all of us will admit that a great many of the speeches made here in the house are intended for the purpose of properly informing the public in that respect, rather than because of any feeling as to the effect they will have upon the decision to be made in the house.

I am not complaining about that; I think that that is the proper working of democratic institutions. Those who support the government do so because they believe, and want their electors to believe, that the government is worthy of the public confidence. And the opposition has it as its duty to scrutinize very carefully the conduct and recommendations of the government. And I am quite sure they hope they would be able to do a better job, if they were on the government side of the house, than those who happen to be there. And, that being their belief, they try to promote that belief in the opinion of the country at large. That is the normal way in which these democratic institutions are intended to work, and the way in which they do work.

When we talk about streamlining our rules we have to keep in mind that those rules are not designed merely to get speedy disposition of the matters that come before parliament, but that they must also be designed to have matters coming before parliament dealt with in such a way that there will be this information which will assist the electors who take an interest in what is being done by those who represent them, in forming their opinions as to whether the party that happens to be in office merits the confidence of the electors and should remain there, or whether, when the next election comes along, it should be replaced by others who might attempt to do better.

I think this explains why it is inevitable that there should be much more protracted debates in this house than there are in the other house. Nevertheless everything of a legislative character has to be considered and has to be passed by both houses of parliament. And I have never heard any serious complaint from any source that the members of the other house of parliament do not give consideration and study to legislation—which could not become legislation unless it had their concurrence. Because of the different atmosphere, the character and the democratic responsibility of that chamber, it does not take them as long to do their legislative work as it takes us here. But they have to do it. And there is no way under this constitution

whereby anything can become legislation until it has been approved and passed by the members in the other house.

Now, is that a good constitution? I must confess I have never felt that it was realistic to give any serious study or thought to the probability of modifying it. In order to modify it there would have to be also the concurrence of the members of the other house.

Since I have been in Ottawa I have found that there were plenty of problems that it was realistic to study and consider, because I might have some responsibility in connection with forming some opinions as to the solutions they should receive. I must confess I have never felt I was going to have in my day the responsibility of having to come to a conclusion about substantial modification as to the character of our constitution.

I have heard certain modifications suggested about the way in which appointments or summonses to the other house might be made. But quite frankly, Mr. Speaker, I have never heard one that did not seem to me to bristle with more obstacles than promises of advantage to the Canadian public.

Mr. Speaker: Order. May I interrupt the Prime Minister. I think he is going into the subject of proposed reform of the Senate, or the method of appointing senators, and I should like to point out that if that trend is to be accepted we would be diverging from the principle of the bill. I offer these remarks simply as a warning.

Mr. St. Laurent: I thank you. I wish to be careful, and my intention was to deal with the principle of the bill, which provides that the same indemnity will be available for both houses of parliament, and not only for members in this house. And it is only in respect of that principle that I have ventured to make these remarks about the other place. When we adopt any measure in this house we do so because we think it is the right kind of measure to be adopted. We do not adopt it for the purpose of having it vetoed in the other house, where it has to be also considered and passed if it is to become legislation. It is because we think it is appropriate at this time to recommend these increases in indemnities that we have recommended them in the form in which they will apply to both houses of parliament and not to only one.

Now, I defer to your warning, sir, and I shall not say anything more upon that subject, but pass to the third point I wish to say something about, namely, the fact that in our view this is something which has to be dealt with by the members of parliament not in respect of their own individual interests but with the desire to do what they think is best for the vitality, proper development and proper maintenance of our parliamentary institutions.

I know that there are some hon. members who honestly believe that nothing is required to be done for that consideration. I believe it is the members of parliament themselves who are in the best position to know just exactly what the situation has been over the years with respect to the duties, obligations and possibilities of a member of parliament maintaining decent living conditions for himself and his dependents, with the length of sessions that cannot be very much shorter if we are to continue to regard this as the principal forum from which come the inspirations to the electors of the country for their proper conduct when they have to exercise their right at election time.

We may differ, as was said earlier today, but I think we all believe that each and every one of us is endeavouring to discharge his duties to the Canadian people to the best of his ability. It is in that light that hon. members should approach this question, and those who feel, as some honestly do, that no increase in indemnity is required, and any increased indemnity would be wrong, will oppose the legislation. But there are those who feel that an increase is proper and that it would be better for the future of these democratic institutions to have a situation where one does not really have to be fairly well off in order to be able to assume the responsibility of representing his fellow citizens, if he is the kind of person his fellow citizens think would make a proper representative for them in parliament. It is with that view and because I think that the future will amply justify the validity and the usefulness to the Canadian people of what is being recommended in this bill that I submit it for the consideration of my fellow members.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I concede that the problem is one of some considerable difficulty, and I agree with the Prime Minister that it is not an easy one to deal with, no matter when the subject may arise, nor how it may be dealt with.

I agree with many of the observations he has made in regard to the necessity for adequate sessional allowances to make it possible for those who would make good members of parliament to offer themselves as candidates whenever the election may come.

The Prime Minister spoke of the fact that there were some who did not think there

should be any increase in sessional allowances. I may have missed some statement that was made, but I do not recall a single statement made along that line. I have been under the impression that there has been general agreement that there should be an increase in the sessional allowances paid to members of the House of Commons.

As the Prime Minister has said, the members of the House of Commons know from their own experience something of the financial and other burdens imposed upon them in respect to the responsibility of representing their constituencies wherever the constituency may be. I had thought there was general agreement that it is appropriate that there be an increase of sessional allowances to members of the House of Commons which will make it possible for those who would make good members to offer themselves, regardless of their personal financial position.

Having said that, I then point out that we are in a position which is not different from that which has existed on other occasions and in other jurisdictions when it was regarded as wise to examine the situation and consider the alternatives and to establish some figure based upon due consideration and exchange of ideas and the participation of other members from other parts of the house in the deliberations leading up to such a decision. May I point out that in this case, as is its right the government has presented to parliament a measure, or in fact two measures, dealing with extensive increases, and that has been done without any examination of which we are aware which would tell us where those figures came from.

I could not agree more about any subject that might come up for consideration in this house or discussion in this house than I do with the words of the Prime Minister when he said that we should follow the course which will assure the effectiveness, efficiency and vigour of parliament, and that in arriving at conclusions in regard to the measure now before us we should have in mind the dignity of parliament itself, and the opportunity that is afforded, by the measure of allowances made available by statute, for the very best type of men and women to come here as members. With that I agree wholeheartedly. That still does not absolve us from the responsibility for arriving at these decisions by orderly methods and applying the same tests as we would apply to any other case where substantial changes were being made and where we were asked to adopt certain figures having considerable importance in themselves to any substantial segment of the Canadian community.

[Mr. Drew.]

It seems to me that the demand for that type of information and that type of inquiry is far more exacting when our own interests are concerned. If we wish parliament to have that measure of respect which is in itself an essential factor in maintaining our system of government in these troubled days, then it is not only a case of getting the right type of candidate, it is also a case of being sure that members of parliament follow a course which will commend itself to the public when their own personal interests are concerned.

For that reason I still feel that it is extremely important that by one method or another there should be inquiry which shows us in some way the digesting processes by which a certain figure came out at the end. These figures were not simply grabbed off a rack; these figures must have come from some consideration of some kind. We have simply put forward the thought that in a matter of this importance the process should be very carefully designed.

The Prime Minister has said something that I think might well be taken as a guide by a number of his supporters in parliament. When some of them become impatient, as they listen to speeches made on this side when there is before the house some measure which they are anxious to have adopted, I would commend to them the rereading of the Prime Minister's words of a few moments ago when he said that all of us will admit that many speeches are made more for information of the public than for the effect the speech is likely to have in the house.

I doubt if there is any statement that the Prime Minister could make in this house with which I will agree more completely. Of course there are times when we are encouraged to hope that even in the house speeches may have some effect. There was the recent occasion when the minister for northern development with great courtesy very generously explained the reason for introducing an amendment to a bill which he had placed before the house as a government bill. That was a welcome sign. If any hon. members opposite noticed an increase in the amount of debate that followed, perhaps in some degree they must blame the minister for northern development for encouraging the belief that speeches do sometimes have an effect in this house.

We have had still further encouragement today. A few days ago we raised some question about the automatic application of the increase in sessional allowances to the pensions act. The hon. member for Kamloops (Mr. Fulton) asked the Prime Minister if he would give the undertaking that legislation

would be introduced to limit the application of that change in its operation on the pensions act. The Prime Minister was quite emphatic in saying that he could give no such undertaking. In the meantime the arguments put forth—at least I hope this is the case—have had some effect, and today we have had introduced in this house and given first reading a measure dealing with this aspect of the problem. So I would say that we have had some encouragement.

Nevertheless, I think the general proposition is correct and in large measure remarks might be directed toward the information of the public. But I still hope that remarks may also be given some consideration here in the house.

The Prime Minister has given various reasons for proceeding in the manner in which he has. He has told us that there are three points which have guided the government in presenting the legislation in this way. He has explained that it is only rarely that members deal with indemnities or allowances and that whatever decision is made should be one that will extend over a considerable number of years and be adequate to avoid the necessity of coming back here too frequently for further revision.

Then the Prime Minister also dealt with the question as to why the government did not think there should be discrimination between indemnities in the house and the Senate. He explained that he considered that this is related to our constitution. He pointed out that at the time this country became one under the British North America Act the constitution had provided for two houses.

I think most of us, perhaps not all, will agree with that system, no matter how much we may disagree with the position in which it now finds itself. The Prime Minister may well say that the people of Canada have been given the opportunity to reform the Senate in some other way. I was not aware, when the party of which he is a distinguished member, many years ago and frequently since then, promised to reform the Senate, that this was the type of reform they proposed. He has stated that he has never seriously considered the practical possibility of those kinds of amendments to the constitution which would bring about a change of this kind. He has felt that there was plenty to do in this house without embarking on that difficult course.

I can only say that this must sound strange to those who for so many years promised Senate reform. Nevertheless we have the statement of the Prime Minister today that no such reform is now contemplated by the Liberal party. Obviously the present method is to continue. I do not intend to extend my remarks for fear of challenging the ruling of the Speaker already made as to the possible consequence of that course. Nevertheless this is one subject that the Prime Minister has placed before us and one that we cannot disregard.

We know that it is a delicate subject. We know that it is one that has to be dealt with having full regard for the dignity of parliament, which embraces both houses and the members of both houses. When the Prime Minister (Mr. St. Laurent) tells us the same amount has always been allowed to the Senate and the House of Commons may I point out, without in any way reflecting upon the members of the Senate or the dignity of that house, which is an essential part of this bicameral system which came to us under our constitution, that the considerations that have been placed before us justifying an increase in allowance to the members of parliament do not apply to the members of the Senate.

I am not prepared to say there should be no increase to the Senate. It is conceivable that there may be arguments which would justify an increase in the allowance to the members of the Senate to the same amount as that paid to the members of this house. But, Mr. Speaker, if there is such an argument it has not been presented, and if there are any facts to justify that conclusion they have not been placed before us.

We were told, and I think we will agree with the proposition, that one of the reasons it is essential that there be a reconsideration of this subject at this time is the great increase in the cost of living, and above all, the increased time that members must spend in Ottawa, or at least most members. The Prime Minister pointed to the fact that it is expensive for members to keep in touch with their constituents, and in that he is entirely correct. He is also correct when he points out that this is not a task that is measured by attendance here in the house, and that an effective member of parliament is constantly in touch with his constituents interpreting their requirements and informing himself in regard to what is taking place, as well as doing a multitude of things in regard to the services of one kind and another which are offered by the government.

Then there is the subject that can be perfectly frankly discussed, and that is the cost of elections themselves. That has been indicated as a reason why we should have regard for the position in which members find themselves. In fact, some hon. members might almost smile—I perhaps should

not put in the word "almost"—if they went back and read that on an earlier occasion when there was an increase, the optimistic prediction was made that election funds would no longer be necessary because the amount that was to be paid in the House of Commons would fully cover all expenses of that kind. That argument, of course, has not been made during this debate, but it was made in this house.

Whatever reasons there may be, Mr. Speaker, for increasing the allowances to members of the House of Commons, not one of those applies to members of the Senate. They are not elected, so they have no election expenses—that is, no local election expenses. They have no necessity for that measure of contact with their constituents which is referred to by the Prime Minister as an essential consideration in keeping themselves informed, nor have they as lengthy a stay here in Ottawa, nor are these stays broken by the legitimate and proper demands on members of the House of Commons to address various meetings and maintain these contacts that are essentially a proper part of our political system. If we are looking for reasons we will find they are reasons outside of any put forward to support the increase for the members of the house.

The Prime Minister made a point of the fact that he was glad we had adopted a similar form of parliament to that at Westminster, and he did that in discussing the need for an increase for the members of the Senate. Well, Mr. Speaker, with all deference I must say that I find it very difficult to follow that argument, because we do not borrow our methods in this regard from Westminster. At Westminster the lords in the second chamber do not get anything, so certainly we did not get the idea of having the same amount paid in the House of Commons as in the upper chamber from Westminster.

Whatever may have been true in days gone by, when the increases were relatively small, I do not believe that would apply today when the increase can only be regarded as substantial. The Prime Minister gave us the history of the various allowances that had been made, and gave us the years in which increases had been made. But hon. members will realize that from 1867 the increases were relatively small on each occasion until 1920, when the largest increase was made. It was then $1,500. Now we have the proposed increase of $4,000. That figure may be right, but I would point out that a commission in the United States appointed to consider congressional indemnities arrived at a very much larger figure. I think we all agree that in many respects living conditions here are similar to those in the United States, and the expense of living comparable.

My point is that we have nothing before us to tell us. In Britain a few years ago they recommended that the indemnity be increased to £1,000. In the United States they recommended that congressional indemnities be increased to more than $20,000, I believe to $27,000. These figures at least were the considered judgment of people who had examined the facts and had some supporting argument to justify the figures they presented. One may be right, the other may be right, but we are in between. Our method has no relation to the method that was employed on other occasions.

Now, Mr. Speaker, the Prime Minister has made some point of the fact that this is a subject on which members of parliament are peculiarly qualified by their own experience. But so were the members of parliament at Westminster when they decided that an inquiry was necessary, and they did employ the method of a select committee. They did not suggest that parliament was going to deny itself any measure of responsibility. They simply said they wanted an examination of the situation to see what should be done. They got recommendations and substantially followed the recommendations that were presented to them.

I saw some suggestion when we proposed that this subject be considered by a royal commission that we would be handing over to somebody else the responsibility for doing this job. But, Mr. Speaker, how often is it necessary to point out that a royal commission can decide nothing except what it is going to recommend to parliament. No royal commission can do more than report to parliament when it has examined the facts and upon these facts it presents certain recommendations. It is, then, for parliament to assume its responsibility. Far from this being a challenge to the responsibility of parliament, this in fact helps parliament to carry out its work in a responsible manner with the kind of information that will be helpful on many occasions in reaching sound and solid conclusions. We are not suggesting that parliament should divest itself of any measure of responsibility whatever. We simply say that parliament should be responsible for the way in which it deals with this matter and, particularly with its own interests concerned, that it should deal with it very carefully.

The Prime Minister has pointed out that this is the first time there has been any suggestion of putting payment on an annual basis. That may be right, but since this is the first time perhaps it would have been well to have examined that question in some way and to have found out whether that was the right method or whether some other method would have been better. These are only some of the reasons why it seems to me that the kind of inquiry we insist upon when other measures are under consideration should have been employed in this case.

I would point out that we have before us a number of matters in the bill now under consideration, an act to amend the Senate and House of Commons Act. We have the sessional allowance of the members. It has been said in the house that this subject has been discussed publicly for some considerable time. It has been said, and correctly said, that the press and people throughout the country generally have indicated that they are ready to support appropriate allowances to members so that the business of parliament may be conducted in the most efficient manner by the very best qualified people who can be encouraged to serve in parliament.

I do not recall having seen a discussion in the press of the other matters that are included in the bill. The bill does not only provide for the increase of the sessional allowance to members, in addition to the $2,000 special allowance provided in 1945. It also provides for a similar increase to $8,000 from $4,000 for members of the Senate, in addition to the $2,000 special allowance. It provides for an increase in the payment to the Speaker of the Senate from $6,000 to $9,000. It includes provision for an increase in the allowance to the Speaker of the House of Commons from $6,000 to $9,000. It includes provision for an increase in the payment to the Deputy Speaker from $4,000 to $6,000. It includes payment to the Leader of the Opposition of the House of Commons of $15,000. It includes payment to the leader of the government in the Senate of $10,000 and payment to the leader of the opposition in the Senate of $6,000.

I do not recall these matters being discussed in the various newspaper comments that have been made. I do not know where these figures come from. They may be right or they may be wrong. I challenge any hon. member of the house to tell us by what exact process of reasoning or by what examination of expenses and otherwise those particular amounts were arrived at. Then of course there are other matters involved in the second bill. I shall anticipate any objection on that score, Mr. Speaker, by refraining from saying anything about that bill now except to point out that what I have said with respect to this measure applies substantially to the other.

I repeat, and I do not wish there to be any doubt about it, that I believe, with the standard of service required in parliament at a time when our country is assuming such increased importance and constant opportunities for still greater expansion are opening up, that we should be assured that the payments that are to be made will be in keeping with the heavily increased burden imposed upon individual members. I hope every Canadian realizes that election to parliament does not simply mean coming to Ottawa and sitting in the House of Commons. I wish there were a better understanding of the tremendous demands upon every hon. member that confront him every day. Without regard to party, I think that most of the hon. members of this house—I am speaking about those who attend fairly regularly—deserve very great credit for the manner in which they deal with the infinite variety of problems that arise and in regard to which they put forth their efforts without asking whether the person presenting the request belongs to one political party or another.

In very substantial measure, members of this house do, under our democratic system, truly become representatives of the whole constituency that they serve and all the people in it. There are great demands. No member would be able to represent his people effectively if he did not go back and visit parts of his constituency, inform himself about what is going on, and maintain contacts with various important organizations in that constituency. No member would be able to properly place before the people of his constituency the things they should know about parliament without some substantial personal expenditure from time to time in keeping them informed. These are all things that need to be borne in mind.

Allowances for members most certainly should be in keeping, but that does not justify us in following a course that we would not be prepared to follow where additional payments were being made for some other purpose and to some other people. The demands are stricter in our case. We are not asked to divest ourselves of any responsibility. Let us be sure, however, that we have had an opportunity to find out where the figures come from and how they have been arrived at.

On an earlier occasion I put forward my belief that the dignity of parliament, which the Prime Minister has emphasized, and the respect of our people for our parliament and the way it conducts its business would be increased by an assurance that we had applied the strictest tests to any measure or measures that would benefit us in any way. The Prime Minister has replied to these proposals very frankly and has dealt with the suggestion that we should have a royal commission or a select committee. He has seen fit not to adopt that suggestion.

In view of that fact I am unable to support the bill. The principle of the bill is not merely an increase in salaries. If that were so, then we might just as well say that we believe in everybody getting more money, outside of this house as well as inside. There is more than that. The principle involved in the bill now before us cannot be divorced from the way in which the changes have been arrived at and the result that is to be produced. There are many cases where details may not be satisfactory but it may be entirely proper to support a bill on second reading, particularly when there is going to be a further examination, as in the case of a bill before the house just a few days ago which was being sent to the banking and commerce committee. There are a number of cases where it is obvious that it is appropriate to criticize, to examine, and try to amend.

In this case, Mr. Speaker, I submit that the bill, as it stands, cannot be divorced from the inadequacy of the procedure by which it comes before us. I think we must have regard also to the principle that, when our interests are involved, the most precise method of arriving at the figures must be followed. This principle is not met by this measure. I propose, therefore, to vote against this bill. I propose to do so without any suggestion that there should not be an appropriate adjustment of allowances in keeping with established figures and facts, but because there should not be just an accumulation of figures put before us without any explanation as to how they were arrived at.

Mr. Angus MacInnis (Vancouver-Kingsway): Although I am the first speaker for the C.C.F. party, Mr. Speaker, I am not speaking officially, if that is the proper word, for this party. I believe, however, that I am expressing the point of view of the great majority of those sitting behind me. I shall probably put that point more clearly a little later. I noticed that when the Minister of Citizenship and Immigration (Mr. Harris) was stating the business of the house on Friday night he said that first we would take this measure before us; then we would go on to the post office bill for increasing postage, and then we would take up the Criminal Code. I believe that was a most appropriate sequence of the business of the house. I must congratulate the minister on having among his many other fine qualities a very nice sense of humour.

Mr. Harris: You omitted the Salaries Act.

Mr. MacInnis: I shall come to that later. I include both as if they were in the same bill. In order to please Mr. Speaker we have to discuss them separately, but so far as I am concerned they are of the same kidney.

When speaking here last Tuesday I said that I was only saying a few words to indicate where I stood in regard to the measure before us; that I was opposing the measure at the resolution stage. Everything that has elapsed since last Tuesday has confirmed me in the position I have taken. I have read the newspapers and I have heard from a great many people in the various parts of Canada. They all say about the same thing. that it is rather shameful—many of them have put it that way—that we should be taking something for ourselves before we have made provision for the thousands of people in this country who are living under deplorable conditions. I received one letter from a resident of Stettler, Alberta, a person with whom I have never communicated. who puts it this way—

Mr. Speaker: Order. Before the hon. member reads the letter I want him to know that under the rules he has to disclose the source, because an unsigned letter or a letter without the signature being disclosed becomes an anonymous letter, and anonymous letters should not be read into the record. I thought I should warn him of that.

Mr. MacInnis: It should not be taken for granted that the letter is anonymous. I did not say so.

Mr. Speaker: The hon. member did not understand what I said. Sometimes an hon. member thinks he can read a letter he has received from a private citizen without disclosing the source. Under our rules the source must be disclosed. I thought I would warn the hon. member of that. I went on to explain that when an hon. member does not wish to give the name of the sender when reading a letter into the record he is running the risk of having the letter ruled anonymous; that is the interpretation I must put upon it. I did not say the hon. member said this

letter was anonymous. I said the interpretation which I put upon a letter when the name of the sender is not given is that it is an anonymous letter, and anonymous letters must not be read into the record.

Mr. MacInnis: I have too much regard for Mr. Speaker to dispute the point with him. I believe I could do that. I do not think there is any rule that compels me to either table a letter of this kind or state the name of the sender. I am not going to hide anything. I said this letter was from Stettler, Alberta. It is not confidential, so I am quite willing to give the name of the writer. The letter is signed by Mrs. Richard E. Price. It is a very reasonable letter, and she says:

> Probably the increase is justified in that living costs are high these days, but on the other side are those who have been lining up at the soup kitchens in Calgary these cold days—surely, they need some aid, too.

Mr. Dupuis: I may be mistaken, but that is what I call demagogic.

Mr. MacInnis: I am not particularly concerned about what you call it. The letter illustrates the way people are thinking. May I quote from an editorial which appeared in one of the daily papers in my own city of Vancouver? It is from the *News-Herald* of January 26, 1954, and it says:

> How can our members of parliament, now in the act of practically doubling their own pay, justify their neglect of the pensioners in their present plight? If an M.P. finds it necessary to double his own salary, how much more apparent is the need of a pensioner for at least a percentage increase? As things stand today it is approaching the point where a pensioner is being expected to live for a month on what an M.P. says an M.P. requires for a day.

This editorial sets forth my whole opposition to this measure. I do not say that a reasonable increase in indemnities may not be justified, though not necessarily a 100 per cent increase or, taking the indemnity and the expense allowance, an increase to the extent of 66⅔ per cent. Certainly I do not think there is any justification for what is proposed in this bill.

When members of the official opposition spoke last week I was not quite sure where they stood in the matter, but I believe the Leader of the Opposition (Mr. Drew) has made it clear now that they will oppose the bill. However, I do wish to congratulate the hon. member for Quebec West (Mr. Dufresne), who spoke last Tuesday. He certainly made his position clear; and in my opinion he was speaking for the great majority of his constituents, just as I am quite satisfied I speak for the great majority of mine.

Before developing my reasons for opposing the measure, I wish to touch upon two or three points raised in the debate on the resolution. It was said that the Prime Minister (Mr. St. Laurent) showed great courage in bringing the bill forward; and then those hon. members went on to say how popular the proposal was throughout the country. Well, if they think it is popular throughout the country it could not have required courage on the part of the Prime Minister.

I am not going to say whether the fact of its popularity or otherwise would influence the Prime Minister in the discharge of his duty. The Prime Minister is my Prime Minister, as well as the Prime Minister of other members in the house, and certainly I am not going to say anything that would put him in a bad light. I have too much respect for him, and I appreciate too well his reasons for coming here to do anything like that.

Then the point was made that the small amount of $1,500,000 that would be required to pay these increases would not be of any consequence in helping the old age pensioners. Even I, with my limited mental capacity, can understand that. But surely those who are talking in those terms are just playing with words. That was not the point I made when I spoke in regard to old age pensioners and persons on war veterans allowances. I believe there should be some order of priority here, and that we should proceed on the basis that those who are in greater need should be looked after first.

As a matter of fact, as a socialist I cannot agree in any way that we can raise the level of society by giving to those who already have and neglecting those who have not. We may fulfil the Scripture, but certainly we are not improving society. And it is because this bill does not harmonize with my philosophy as a socialist that I am opposing it. After all, possibly this is the silk-hat socialism the Leader of the Opposition detected on the government side of the house when he was speaking in the debate on the address. Perhaps he used the expression "top-hat"; I am not sure about that. I am in favour of the welfare state, but I believe the welfare state should include more than senators and members of the House of Commons.

Then someone else made reference to those members of the house who, after long service, passed away and left their families unprovided for. Surely that is not an unusual happening. I imagine at least half of those passing away and leaving dependents leave them unprovided for. Do my hon. friends propose that we arrange things for members of parliament so that, no matter when they leave this House of Commons or in what way, they and their families must be provided

for? Well, we will have to have much larger indemnities even than those proposed, if that is the intention.

Then it was said that the indemnity should be increased because of the many handouts we have to make by way of wedding presents, presents at christenings, wreaths at times of funerals, as well as many other things. I am in the very happy position where I am not asked for such handouts. My constituents know that I am not a wealthy man and that I cannot afford such largesse. But, more than that, they do not consider these things any part of the duty of a member of parliament. They would think it highly improper for a public representative to curry favour in such a way. They elect me to parliament to put forward their views and press their needs in the House of Commons. If I did not do that I would hear from them, and in no uncertain language. Their weddings, their christenings and their funerals they can look after themselves. I am quite satisfied that that should be the case, because in my opinion these things are too intimate for a member of parliament to interfere with.

As I said, I am not saying that no increase whatever is justified; and at the proper time this party will make known its views in the matter. But as I have said, I do not believe an increase to the extent of 100 per cent is opportune at this time. Hardly a worse time could have been found for putting it forward. What do we find? In employer-employee relationships the employers are adopting a "hold-the-line" policy. That is a refusal to make any wage increases. Unemployment is increasing alarmingly all over the country. I am sure every member is receiving letters from his constituents about this. Prices of farm commodities are falling. All around us wages, salaries and incomes of all kinds are falling; and just at this moment the government introduces a measure of this kind that, as I have already said, increases the indemnity of members of parliament by 100 per cent or, if we include the expense allowance, by 66⅔ per cent. It is at times like these that people look to their representatives for help.

As I said before, every hon. member is receiving requests from old age pensioners, persons on war veterans allowances and from persons on small incomes and superannuation pensions that were given by this government at a time when our dollar was worth very much more than it is today. To every such request made there is just the one answer, no. Then to add insult to injury we raise our own indemnities by 100 per cent. I tell this house that this can have only one result; it will lessen public confidence in our parliamentary institutions. Perhaps I can do no better than read a sentence from another letter I received the other day from Oak Bay. Westerners will know where Oak Bay is. It is a wealthy suburb of the city of Victoria. The writer of the letter signs his name T. Fox-Decent. This is the part I wish to quote:

> The shameful example of grab, and the callous indifference to the plight of the burnt-out and old age pensioners, and the blind, . . .
>
> Commons votes billions to combat communism but is indifferent to the fact that this constant grabbing for themselves will swell the ranks of communism by many thousands.

There is no doubt in the world, if we read the press and if we take heed of the letters we get, that there is strong resentment in the hearts and the minds of the people who are being neglected while we are looking after ourselves so generously.

As I mentioned in my remarks at the resolution stage of this measure, I am opposed to increases to members of parliament and members of the other place, because they tend to separate the public representatives from the people whom they represent. I am afraid it is not recognized by members of this house that with our present income we are already in the high-income bracket. I hold in my hand the taxation statistics of the Department of National Revenue for the year 1951. It is entitled "Taxation Statistics 1953," but the figures are for 1951. With our present indemnity, members of parliament are already receiving incomes higher than 89·3 per cent of those paying income tax or making income tax returns. If the increases proposed go into effect members of parliament will be among the top 1 per cent of income receivers in Canada. I am afraid that position will make things rather difficult for some people. It is my contention that people so far removed from the trials and struggles of the average individual cannot feel those trials and struggles and will not work to remove them.

The history of all nations demonstrates that improvement never comes that way. The dynamic strength for improving social conditions has always come from the bottom and not from the top. For the benefit of my Liberal friends I should like to quote a saying by the late William Ewart Gladstone many years ago:

> I painfully reflect that in almost every political conflict of the last fifty years the leisured classes, the educated classes, the wealthy classes have been in the wrong. The common people—the toilers, the men of uncommon sense—these have been responsible for nearly all the social reform measures which the world accepts today.

If we are going to put ourselves among the top 1 per cent of income receivers in this

country we will come to fear changes because things are good for us as they are. The poor get very little thought now, but they will get less then because we will not feel any of the discomforts that the poor feel.

I have not much more to say, Mr. Speaker. I want to quote from an editorial in another Vancouver paper, the *Province*, which appeared long before this proposal came before parliament. The Vancouver *Province* is a paper which has a reputation for conservatism with a small "c". For that reason we should pay some attention to it. The editorial commented on some remarks I made when I spoke on the debate on the address, and said:

> British Columbia probably has, proportionately, more of these people than any other part of Canada—

That is, more old age pensioners.

> —because of our mild climate. In Vancouver many live in poorly-heated bedrooms, attic rooms and improvised basement suites.

I want the house to note this:

> They seldom have enough proper food. Never do they have enough for the small luxuries that make life worth living.

I challenge any member of parliament here to say that he goes to bed hungry at night and that he is denied the small comforts that, as this paper says, make life worth living. But I tell you that in the city of Vancouver thousands go to bed hungry every night, and they have nothing left to buy these little comforts which make life worth living.

Mr. Dupuis: Social Credit will look after them.

Mr. MacInnis: Perhaps it will, but the hon. member for Macleod (Mr. Hansell) did not give any indication of that the other day. There was no debt-free money in his speech when he spoke the other day. It was quite impossible to find money for old age pensioners, but it was easy to find money for members of the House of Commons and senators because it was only a little bit of money.

Mr. Johnston (Bow River): That is not right at all.

Mr. Low: That is utter foolishness.

Mr. MacInnis: Read what the hon. member said. If you want to raise any further question about it I will read some of the things he said and indicate the only inferences that can be drawn from them. If you do not want to have it I shall not bother with it. The editorial goes on:

> There are also many who, for other reasons, find life hard. There are women trying to raise families on mothers' allowances that are hardly adequate to keep a bachelor alive.

That is important. Those women have children, and those children will be the future citizens of Canada. They are being brought up without proper food; they are being brought up without proper education, because they will have to go to work as soon as they are able to work. They will be handicapped all through life because of a lack of nourishment in their growing years and because of a lack of education. They will be the hewers of wood and the drawers of water for those who are in the higher income brackets, whose children have enough to eat and who will get an education.

I wonder why we cannot think of these things. It should be important to us as representatives of the people of Canada before we deal with anything for ourselves. After all, we are not suffering. I shall bring these remarks to an end by quoting my last words when I spoke on January 26. Regardless of what anyone else does in regard to this bill, that is going to be my decision. I should like to quote from page 1467 of *Hansard* as follows:

> I am not going to support any increase in income for any member of parliament until we have made some attempt at raising the incomes of the poor in this rich country.

Mr. Speaker: In order to be helpful, and I do try to be helpful, I warned the hon. member for Vancouver-Kingsway (Mr. MacInnis) before he read a letter that if he did read it he should disclose its source. I gathered that perhaps he did not understand fully my intervention. In order to assure him that I did not interrupt him without reason I should like to refer him to citation 265 of Beauchesne's third edition which reads:

> It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

Then citation 270 of Beauchesne's third edition reads:

> An unsigned letter should not be read in the house.

The citation then goes on to give instances where the Speaker suggested that such letters should not be read into *Hansard*, and I quote:

> Such a letter should not be read into *Hansard;* all letters when read must be signed and they become part of the documents of the house.

I should like to explain what I consider to be an unsigned letter. If an hon. member reads a letter and does not disclose its source, it appears in *Hansard* with no source being divulged. In my opinion that is tantamount to being an unsigned or anonymous letter, and such letters must not be read. The hon. member will perhaps recall the two occasions

on which I can place my finger at the present moment when my predecessor, Mr. Speaker Macdonald, ruled in identical terms. I would refer the hon. member to *Hansard* of December 19, 1951. On that day the hon. member for Brandon (Mr. Dinsdale) was speaking and the leader of the C.C.F. party inquired whether there was a ruling that required private letters to be identified. Mr. Speaker Macdonald then said, and I quote from page 2210 of *Hansard*:

> I am not requiring the hon. member to disclose the source of the two letters he has just read. If that was to be done, I should have requested it earlier. However, if he intends to read other letters, he should disclose their source.

Another occasion was on November 28, 1949. The incident at that time was one with which the hon. member for Rosetown-Biggar (Mr. Coldwell) may be familiar, because he was the one who was called upon to divulge the source of the letter.

I should like to make it clear that this is the reason I warned the hon. member. It may be that when an hon. member is warned before he starts to quote a letter he may decide that if he has to divulge the source he will not quote the letter. That is why I thought I was being helpful in advising the hon. member for Vancouver-Kingsway of the rule.

Mr. Coldwell: May I say with all due respect that for many years it was the custom in this house that if an hon. member gave assurance that a letter was signed and was not anonymous, he could give his word as a member of parliament and it was always taken. It is only in the last few years that this procedure seems to have crept into our proceedings. We used to understand that it was only when a minister was quoting from a document that he was required to table it.

Mr. Speaker: Is there not a little distinction between those two cases? If an hon. member wishes to paraphrase a private document and takes the responsibility for what is contained in it, then it becomes his own words. But when he wants to quote a letter verbatim which he says he has received, then for my guidance I have the latest rulings of my illustrious predecessor. I shall be willing to look into the matter. Perhaps the committee on procedure could look into this question also.

Mr. Solon E. Low (Peace River): Mr. Speaker, it seems to me that this matter which is now before us is one on which every member of the House of Commons should take his own stand. I would not like to think that this was a party matter in any respect, and for that reason I hope hon. members will be prepared to make their stand known, as I certainly shall.

I was not able to be here last Tuesday when the resolution was discussed, and as a consequence I did not have a chance to express my opinion on the principle of the resolution. But my colleague, the hon. member for Macleod (Mr. Hansell) did so on behalf of our group, and I concur fully in what he said.

The principle of the bill now before the house is to provide increases in the indemnities and allowances to members of the House of Commons and certain salary revisions for officers of the two houses and cabinet ministers. With that principle I am in agreement and I have my reasons for being in agreement. I look upon this whole matter, not as a measure to increase the personal income which members of parliament may enjoy, but as a measure to make it possible for every member of parliament to be a better member and to serve his country and his people as they expect to be served. That is the way I look upon this bill.

I am afraid there has been too much inclination in some quarters to consider that we were simply meeting here at this time to vote ourselves an emolument that would put us into a preferred class. That is not so. I am perfectly satisfied that any increase in the indemnities of members of parliament will be reflected in better service to the people of this country. I am satisfied that that money will be spent by members in trying to serve the people who sent them here.

With that as a background I would like to deal briefly with some of the things said by the Leader of the Opposition (Mr. Drew) and the hon. member for Vancouver-Kingsway (Mr. MacInnis). It seemed to me that the whole burden of the speech given this afternoon by the Leader of the Opposition was that we had been shown no justification for the figures which are presented in the bill. "What justification is there?" said the Leader of the Opposition. Well, I should think, Mr. Speaker, no one would be in a better position to answer that than the Leader of the Opposition. Statistics are the best justification I know, and he ought to be familiar with statistics for he has quoted them often enough in this house. Anyone who examines the statistics of the time, who has made any study whatsoever of increases in costs and prices since 1945, ought to realize that since that time there has been no less than a 100 per cent increase in salaries and wages generally over the country, and from 100 to 150 per cent, and more in many cases, in prices. What more justification does anyone want?

The Leader of the Opposition must know that when it is necessary for a member of parliament to visit his constituency today he is out of pocket two or perhaps three times more than formerly. For example, let him buy an automobile—not be furnished with one—and he will find that he is paying just about twice what he would have paid in 1945 and before, and he will buy one today that will hardly withstand the shocks of the road as the old one did. You can almost put your fist through one today, whereas formerly the steel gave some protection to a man. Let him buy gas and oil to visit his constituency and get around there; let him pay for his meals or transportation by train and all these things, and he will find that costs have increased by twice and in many cases more since 1945. I would think the one thing to do is to take a good look at the statistics, and he would have ample justification.

The Leader of the Opposition also referred to what happened in the United States. They did appoint a commission, as the hon. member is suggesting in this case, and that commission investigated, heard evidence, and brought down recommendations. But these recommendations went far beyond what the Prime Minister and the cabinet have decided here.

I think the Leader of the Opposition should have pointed out to the house how moderate was the position taken by the Prime Minister in the introduction of this bill. If we had had a royal commission to investigate and seek justification for certain figures, it is quite possible that such royal commission would have brought down a recommendation similar to the figures presented by the commission in the United States. Perhaps that is what the Leader of the Opposition seeks. I am not saying that, but at any rate it appears to me that we have some guide for our actions here when we reflect that in the United States it was decided to increase sessional allowances to members of congress to $25,000 a year, plus certain perquisites which I think bring the total up to something around $41,000.

An hon. Member: $40,500.

Mr. Low: Yes, I think that is it. There was a principle established in the United States a good many years ago which some of us in this house have on occasion put forward, and that was this. The members of the House of Commons ought to have assistance in research. They ought to have made available to them means by which they can get the facts and figures with respect to the problems that come before them in order that they may put forward sensible solutions, based upon facts instead of fancy. We have tried to get that introduced in this house, but the principle has never been adopted.

An hon. Member: It has never been recognized.

Mr. Low: In the United States that principle has not only been recognized but adopted, and the practice has been followed for many years; I think it was adopted as long as eight or ten years ago; certainly for as long as I have been in this house. I believe congressmen are granted something like $10,000 a year with which to secure assistance for research work. As a consequence one would expect the debate and discussions to be on a higher plane, as it would be here if members of the House of Commons had a similar allowance. We have not had the means with which to carry out this research, and I am afraid that as a consequence some of our debates have suffered.

There is this to be said also, that you cannot expect members of the House of Commons to serve their constituents as they wish to be served and still be their own research assistants on $6,000 a year. It is quite impossible when you stop to consider the increasing needs of the members from year to year. In a growing and more complicated society such as Canada, $10,000 a year will not go very far and will not more than make it possible for members of this house to enjoy a reasonable standard of living and at the same time discharge their responsibilities. Anyone who has given the slightest consideration to the facts and the statistics would never ask that question, "Where is the justification?"

When the Prime Minister said to me, as he did, "We have given this whole question of increased sessional allowances deep and earnest consideration, and we have decided to bring in a measure to make certain changes;" and then when he had the courtesy to outline what the changes were, I took it for granted that he meant that he and his colleagues had given the matter study. I believe he did.

I know this matter has been talked of around the corridors of this house for at least two years that I know of, and perhaps more; and I feel certain, knowing the Minister of Finance (Mr. Abbott) as I do, that he and his treasury board would never consent to increased sessional allowances without giving the whole matter the most earnest consideration. I have seen his work before, and I have every respect for the manner in which

he discharges his duties. Anyone who stands up in this house and says there has been no consideration, no basis on which to decide how much the increase should be, is, I believe, stretching it a little bit too far.

I do not think, Mr. Speaker, that I need to deal with that part of it any further. I recognize that there is a difference between the Senate and the House of Commons. Certainly there is a difference in the responsibilities attaching to each. I do not know, though, whether this is a proper occasion to speak of Senate reform. I will not. I will simply say this. Perhaps the Senate ought to be reformed; but, Mr. Speaker, it certainly ought not to be reformed by an annex to a bill of this kind.

That is all I am going to say. If the other place is to be made the useful body that I believe it can be under our system, then certainly the way to go at it is not the way we have been going at it here since this measure came before us. I believe there is lots of room for improvement, and maybe the government will pull something out of the hat before the twenty-second parliament is completed that will help make the other place the useful instrument that it can be in a democracy.

I have never been one to suggest that the Senate be abolished, because I believe there is a place for a bicameral legislature in Canada. I believe it is useful, and I think it is unwise for us to enter too freely into a discussion of the comparative merits of the two houses of parliament. But I will say that certainly senators have no elections to fight, and as a consequence they are not out of pocket as members of the House of Commons are. Certainly the expenses of senators are nothing like those of members of the House of Commons, and certainly it must be conceded that the Senate indemnity—I am not speaking of the senators but of the Senate indemnity—is in the nature of a pension. We have to consider that. It is in the nature of a pension, and because that is so maybe there is some difference. Maybe there should be a considerable difference between it and the sessional indemnity of a member of the House of Commons. I am not going to make that an issue; I am merely pointing it out.

On the other hand, members of the House of Commons work barehanded. They work very hard to dig out facts and figures to keep themselves informed, and I believe everyone in the country must recognize that they do a pretty fair job, carrying on as they do without staff. I say it is not possible for members of the house to do effective work without research, and I hope the government will give consideration to the introduction of some kind of research assistance for every member so he can discharge his duties and discharge them well.

Let me point out that originally the sessional indemnity for the House of Commons was based on a five-year term. In principle that is what we have now, but everybody knows that in recent years no government has dared to go the full five years. Consequently we have had an election every four years, which has made it necessary for members to go to the country and spend their money more often than they did in the days when there was really a five-year parliament. That is something that should be considered and that many people do not think about.

Then there is another point. Many members of the house, perhaps most of them, now consider that the work of a member of parliament is a full-time job. I know it has been with me. Since I came into this house it has been impossible for me to spend any time whatsoever in trying to supplement the income I have had from the House of Commons. There must be a good many hon. members in the same position. Consequently what they receive by way of indemnity has to cover their living expenses plus the cost of their service to the public, and that of course often means maintaining two home establishments. I say to hon. members that this is not commonly known, that it is a consideration, and a big one.

As I listen to people outside of the house talking about things, I gather that they believe that the work of a member is over when a session ends, and that all hon. members have to do is go home, bask in the sun for the rest of the summer and fall, go hunting and fishing and what not, and wait until another call comes to return to the house. That of course is the greatest of errors. The work of a member of parliament does not end when a session of the house closes, and that must be kept in mind. He really has to start on his hard work then. He has to get around a very large area and pay his own expenses while doing so. If he does not visit his constituents in every part of his riding, report to them, talk to them, help them to open fairs and start drives of one kind and another during the period between sessions, he is not considered to be doing his duty.

I say to you, Mr. Speaker, that the demands on members of parliament are very great, and I am not prepared to say that members are not entitled to an indemnity of $10,000 with

which to discharge their responsibilities. I certainly would not be in a position to make any such claim. I say that adequate pay to members of parliament, whatever that adequate pay may be, would make it possible for members of parliament to give their constituencies the kind of service that is required in a democracy. Let me go a step further and say something that I believe can be proved to be the case. I think an adequate sessional allowance for members of the house would be one of the greatest inducements toward better service because there would be keener competition for the job of member of parliament. That would force present members to extend themselves in giving service. There is no question about that, and if the people want good service I am satisfied that they are prepared to pay for it.

Let me come now for a moment to what was said by the hon. member for Vancouver-Kingsway (Mr. MacInnis). He quoted some letters. As the leader of a party, Mr. Speaker, I have received but two letters. In the past two weeks I have had fifty times more letters about a flag than I have had with respect to the sessional indemnity. As the leader of a party I imagine that I would receive quite a number of letters if there was widespread dissatisfaction throughout the country with what parliament is doing.

I have been trying to keep my ears and eyes open, but as I say, I have received only two letters. One of them was strongly critical and the other simply said, "under the circumstances, do you not think you ought to be improving the lot of the old age pensioners and the recipients of war veterans allowances?" That is all.

Maybe the hon. member for Vancouver-Kingsway draws all these letters. Maybe he has received more than I have. Maybe Vancouver is a place where people feel more strongly about these things. I am giving him every benefit of the doubt, but I do not believe for one moment that the number of letters members are receiving can be very great. Otherwise I am sure my group would have received their fair share, and they have not so reported to me. In 1945 I listened to an almost identical speech made by the hon. member for Vancouver-Kingsway. He made the same dire predictions he made today; not a bit of difference in the world. He told us at that time that he would vote against the $2,000 expense allowance because he was a socialist. Well, he took it just the same.

Mr. Blackmore: He is still a socialist.

Mr. Low: He is still a socialist. He is going to vote against this measure. That is his privilege. I do not want any person to have to take something he does not want, and when the bill is in committee it may be possible to make some arrangement so that such people will not be embarrassed. Maybe it can be arranged that the increase over the $4,000 now paid will have to be applied for, a system of election, much the same as we had to do in the case of the pension. In that case we had to elect. Well, I am just giving a notice that I have a little amendment that will help the situation along when the bill goes to the committee. Then we shall see just how much of this talk is on principle and how much is for political purposes.

I sat here today and listened to the hon. member for Vancouver-Kingsway make a few rather sly remarks about the Social Credit member for Macleod (Mr. Hansell), and Social Credit governments. He was speaking about old age pensions, and that sort of thing. I want to remind him that for a good many years the Social Credit government of Alberta has been making a $10 supplementary allowance, above the $40 given by this government, to old age pensioners, while the socialist government of Saskatchewan has only been giving $2.50. If that is socialism—well! I shall go further and say that the Social Credit government of British Columbia is doing the same as the Alberta government.

I am going to let matters stand, Mr. Speaker, by saying this. I look upon this as a measure designed to make it possible for the members of this parliament to give the people the kind of service that the people deserve and want. I stand in support of the principle of the bill.

Mr. Howard C. Green (Vancouver-Quadra): Measures such as this, Mr. Speaker, are always difficult to consider dispassionately in the house. In my remarks today I am not questioning the good faith of any member in any part of the house. I was unable to be here on Tuesday when the debate on the resolution took place, but in reading *Hansard* I thought the Prime Minister had ended his remarks with a very worth-while suggestion. These words are to be found on page 1454 of *Hansard* for January 26, 1954:

> These matters should be dealt with exclusively on the ground that the opinion expressed by each individual member will be his opinion as to what will really in the long run serve the interests of the Canadian people whom members of parliament are here to represent.

Today I propose to follow his suggestion and give my opinion. Incidentally, earlier in the same paragraph the Prime Minister intimated to his own followers that they were free to vote on this measure as they

saw fit, and that the life of the government would not be in jeopardy by reason of the vote. Those words were as follows:

I would say to hon. members on this side of the house that if they honestly believe these increases are not in the long run to be in the best interests of our democratic institutions, they should not feel that because I am the one recommending them at this time they should submit their judgment to mine.

I am very much disturbed, Mr. Speaker, about this plan because I believe, in the first place, that it will weaken the prestige of parliament. Some hon. members have argued it will increase the prestige. My personal opinion is that it will do the opposite. I am disturbed also about it because I believe it will tend to bring into public life in Canada people who are more concerned about the salary than they are about the service they can render to their fellow Canadians.

I should like to place three considerations before my fellow members. The first is this. The election was fought about six months ago. The Canadian people were not told at that time of any plan to increase the indemnity. The Prime Minister in his speech the other day rather intimated that the people had been told the indemnity would be increased. Here is what he had to say, and it is found at page 1452 of *Hansard* for January 26, 1954:

My colleagues and I came to the conclusion that this problem should be tackled from two angles, and that was the reason why I stated in the national broadcast I made from Vancouver on July 9 of last year that it was our policy—

Then I go on to quote what he had to say in Vancouver, that part of his speech being in quotation marks in *Hansard*.

"to seek appropriate amendments to the rules of parliament with a view to ensuring speedier and more orderly conduct of the nation's business without any abridgement of the rights of the opposition or of any minority to give expression to its views. We believe that if men and women of ability are to continue to be attracted to public life some way must be found to reduce the length of some of the debates in parliament, and to make the conditions of membership less burdensome than they have become in recent years."

You will notice, Mr. Speaker, in that statement there was no direct reference to any increase in the indemnity. I presume the Prime Minister had that in mind when he uttered these words, "to make the conditions of membership less burdensome", but the ordinary person hearing that would think he was referring to the length of time the session lasted. If it was the intention of his party to increase the indemnity, then I think in fairness to the Canadian people a clearer statement to that effect should have been made. We get to this position, therefore, that the members of this parliament stood for election, and were elected, on the basis of the present indemnity.

The second consideration is that the Prime Minister is now bringing in a proposal which, in effect, is to increase the indemnity 100 per cent. I admit that in one or two years there were two sessions which meant, of course, a double indemnity, but I think it is fair to say this proposal means an increase of 100 per cent in the indemnity. The expense allowance was introduced and passed by the house on the basis that it was to cover expenses, and that it was not to be considered in any way as pay; of course there was a difference between the House of Commons and the Senate in so far as the $2,000 was concerned, in that the allowance to the senators was made taxable.

I do not believe the Prime Minister has said anything today that constitutes a justification for an increase of 100 per cent. Perhaps there should be some increase; I am not disputing that. But from one coast of this country to the other this increase of 100 per cent in our indemnity will start demands for increases in pay. Within the next few weeks it will be used in dozens of bargaining negotiations. We have the hint also that our high court judges are to be the next to get increases in pay. They have had two increases within a very few years. The argument is being made now that because members are having their indemnity doubled there should be an increase for the justices of the high courts.

I do not believe an increase of 100 per cent can be justified at any time, under any conditions, and certainly not at this particular time. I believe that for several reasons. In the first place, Canada has moved into a high priced economy. We have had warnings from responsible men across this country within the last few weeks that that is the position in which we now find ourselves. We are having more and more trouble selling our goods abroad because we are having trouble competing with other nations. So I say this is a time when this nation is in considerable danger because she is getting into a high priced economy. For that reason this is no time for the House of Commons to be setting an example by doubling our own pay.

Then, this is a time when unemployment is a grave threat. I hope it will not become any more serious than it is at the present time, but from one coast to the other today unemployment is extremely serious.

There is one other reason which is close to my heart, and I hope I shall not be accused of using an emotional argument. If so, I cannot help that. However, I must say that the House of Commons has failed to take into consideration recommendations made unanimously in 1952 by a special committee on veterans affairs that the ceiling on the permissive income of recipients of war veterans allowance should be increased. This is not only a case of people outside the house asking for an amendment of that kind; it was a unanimous recommendation by the special committee on veterans affairs.

These men, the great majority of whom were front-line troops, are in the position that if, for example, they reach the age of 70 years, they cannot get the full benefit of the old age security payments, because when they take those payments their war veterans allowances are cut so that the total income will not be more than $60 a month. That situation should have been remedied long ago, and in my opinion should have priority over an increase at this time in our own indemnities. Many of these men are on a starvation basis. We have hundreds of them in British Columbia. On a basis of comparative population we have more war veterans allowance recipients in that province than in any other province in Canada. There is a crying need that their problem be met before ours is dealt with.

The third consideration is this. Obviously this proposed indemnity of $8,000 plus the $2,000 for expenses is meant as pay for a full-time job. There will be monthly payments of indemnity amounting to $666.66. In addition to that there is the tax-free expense allowance of $2,000. And yet, Mr. Speaker, this is not a full-time job. No matter what hon. members may argue to the contrary, I submit it is not a full-time job, and I have as my authority for that statement the Prime Minister himself. This is what he said, as reported at page 1452 of *Hansard*:

> It was never intended, and it is not now intended, that members of parliament should be salaried servants of the state. Members of parliament are representatives—that is true of members of both houses of parliament—and, to be truly representative, it is desirable that they should be drawn from a wide variety of occupations and walks of life—

And I stress these words.

> —and that they should be able to retain, while they are members of parliament, their connection with the occupation or walk of life and the area from which they were chosen to be representatives in parliament.

I could not agree with any statement more thoroughly than I do with that statement of the Prime Minister. I believe it goes to the root of the democratic system. Are we to have here representatives, or are we to be paid as civil servants? Then he said at a later point in his speech:

> While membership in parliament should not be, and should not be regarded as being, a full-time occupation—

And so on. We must be in our constituencies at least half the year. Most of us are able to be, even those of us who represent constituencies on the west coast. When we are in our constituencies for that length of time, I do not know how a member could sit around and do nothing for six months. There is some political work to do, but there is opportunity for a person to earn at least something. And I think it is of great benefit to the member to get back into his own business and get right down among the people so that he may learn something about the problems they are meeting. I always consider it takes a lot of foolish ideas out of my head when I have to go back and do a little of my regular work. It is of great value that the members should resume their places in the life of the communities from which they come for at least a portion of the year. So let us not say that this $8,000 plus the $2,000 free of income tax is for a full year. It could be much more accurately described as payment for half or three-quarters of a year.

Then, Mr. Speaker, the doubling of the indemnity is bad enough in the case of members in the House of Commons, but this same increase for senators cannot in my opinion be justified on any ground whatsoever. As a matter of fact the Prime Minister made the argument this afternoon that they had to be treated the same. Well, they are not treated the same in the expense allowance. A difference is recognized right there. They pay income tax on their $2,000, but we do not.

I am afraid there enters into this picture the fact that the Senate has the veto on legislation passed by the House of Commons, and that they may say, "Here, we will not pass this bill at all until we get exactly the same as the members get". That is a situation that might as well be faced by hon. members of the House of Commons and by the Canadian people.

There are long periods when the house is sitting and the Senate is not. They rarely sit on Mondays or Fridays, even when they are here. And the amount of work done in the two houses, when both are in session, cannot be compared. For example, we have to deal with the estimates, but the Senate does not have any work of that kind.

Would 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. Green: Mr. Speaker, when the house rose for the dinner recess I had almost completed my remarks. If Your Honour will recall, at that time I was pointing out why I thought this doubling of the indemnity to the senators could not be justified on any grounds whatsoever. I had explained three of my reasons, and I should like to add one more. It is this. Unlike the members of the Commons, once the senators leave Ottawa their responsibilities end; for if they have any responsibilities out in the provinces it is very difficult to see what they are. They have no constituents; they have no elections to face. Their position in the constituencies is entirely different from that of the hon. members.

I do not criticize the senators as individuals. About one-third of the present Senate have served with me in the House of Commons, at one time or another, since 1935. I think they are all my friends, at least they were until today. I do not blame them individually; they are victims of a system.

At the present time all those in the Senate, with the exception of seven, are followers of the present Prime Minister. There are 15 or 16 vacancies, and I believe there have never been fewer than 12 vacancies since he became the Prime Minister of Canada. That fact in itself shows how little value he places on the Senate, and I am rather surprised that he can come into the house today and ask that they should be given the same increase as proposed for the members of the Commons. No Prime Minister has ever had a finer chance to do something about meeting the situation in the Senate; yet, instead of making any move to reform, our Prime Minister is doubling the indemnities of the senators.

For the reasons I have outlined I repeat that I believe this bill in its present form is unfair to the Canadian people. They are entitled to better leadership than is being given in this instance.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I feel that I should take part in this debate, not because I think I can throw any new light on the subject but because I have been a strong advocate of better indemnities for members of parliament. I have been in this parliament for a good many years. In that period I have talked to a good many members of parliament about their financial problems. I have known men who saw their livelihood going to pieces, who have not been able to get along on their indemnities, and they had to go back to their professions or their businesses. I have known men in this parliament who have seen themselves getting deeper and deeper into debt without any real hope of improving their position. That is not a healthy situation.

I was an employer of men before I came here, and I always considered it my business, if I thought one of my people was getting into financial difficulty, to see him and find out what the trouble was and to help straighten out his affairs. I do not believe that people who are worrying about financial problems can do their best work in this House of Commons.

I think hon. members will accept the fact that I have no personal axe to grind in this debate. I was more fortunate than most hon. members in that I was able to practise my profession for 30 years before I came to this parliament. I was fortunate in having an earning power when there were no income taxes, and later when the income taxes were not heavy. I am old-fashioned enough to think that when we are earning we should save for our old age, and I did that. The result was that when I was invited to stand for this parliament in my fiftieth year I was able to assess the situation, as most people must do when they are asked to stand for parliament, and accept the invitation.

I think every man in Canada is attracted by the thought of serving his country in the parliament of Canada, but it has been my experience that a great number have had to say "no" simply because they could not see any possibility of making both ends meet. I know I have asked a number of people to stand for parliament. Any member of the government is interested in building up the strength of the party he represents. I have had a good many people consider coming to this parliament, and many people, in fact the majority, have said: "I cannot see how I can support my family and do what you are asking me to do".

I think that most men, surveying the situation, view it in that way. I know I did. I was willing to sacrifice my earning power—that was unimportant—provided that I did not have to sacrifice the standard of living of my wife and children. I think that is a reasonable attitude. I believe a man, when he marries and is raising a family, is under obligation to do the right thing by his family. If he has built up a standard of living for them I do not think he should take on any work that means a lowering of the standard of living or a lessening of the chances of a good education for his children.

I examined the situation in that way, back in 1935, and found that I could afford to stand for parliament. I have been very happy with the remuneration I have received since then, and I would be very happy to finish my term in this parliament with the same remuneration. That is the personal position. But I suggest to this parliament that personal views should not govern. After all, is not the problem this? We are fixing the remuneration for people from coast to coast, in order to arrive at an average that will bring to this parliament the kind of people that we should have in it. You say, "How do we determine that average?" Well, I think the people most capable of determining it are the people who have had experience in living the kind of life that members of parliament are required to live.

It has been said often that there are only two classes of people who can afford to stand for parliament; people who have considerable capital, and people with no money at all. It is a well-recognized fact that if a man comes in here with a small capital, a capital that would mean a great deal if he could go on accumulating, he is bound to dissipate that capital, not in extravagant living, but for purposes that are proper for those who occupy our positions.

I have heard an hon. member say that he is not called upon to make any expenditures in the constituency. Well it has not been my experience to have that kind of constituency; I do not think it has been the experience of many people in this parliament to have that kind of constituency. I would not want to operate that way in any constituency. When I lived in Port Arthur, before I entered this house, I tried to enter into the activities of the community, to support worthy causes, and I would not want to change my position in that regard just because the people of Port Arthur have sent me to represent them in this parliament. I do not think any of us want to change our ways completely to settle down to an isolated life, to not be able to take part in community activities or in the activities of the district we represent, just because we are in this parliament.

The question is this. What is a reasonable remuneration, on the average, to compensate hon. members for the loss of income they suffer in coming to this parliament? It was said by the hon. member who spoke before me that many members can use the summer months to supplement their incomes. I think that situation varies. Professional men can do that. In fact when I entered parliament that was one of the factors I took into account, that I would spend six months at Ottawa but would have another six months in which I could practise my profession. It so happened that I was taken into the cabinet before I entered the House of Commons and was not able to do that. Perhaps you may think that cabinet ministers are very well paid, but I would exchange what I get as a minister for the privilege of having that six months in which to practise my profession.

We are determining what indemnity will attract able men to parliament, the type of men that we think the various constituencies would wish to choose to represent them in parliament. As I say, his indemnity should compensate a man for the time he loses from his own work and for the cost of maintaining two domiciles, as many members must. I take the view that if a man has a wife and five children, as I had when I ran for parliament, he should not have to leave his family at home for six months in the year. His indemnity should be sufficient so that he can provide a home and thus enable them to live with him when he is here in Ottawa. Just to look at the statistics, the increase that is proposed now does not seem unreasonable. It has been said that we should not have an increase here in this parliament because other people have not had increases. I do not know of any class of people who are working for a living, people who are willing and able to work, who have not had an increase since 1945. Since 1945 the cost of living has increased about 60 per cent, and wages and salaries have increased much more than that in proportion.

We regard our work as important. We say that we carry the responsibility for government, and so we do. I suggest to you that no successful business that I know of believes that it can succeed by holding down the salaries of its executives below the point that enables them to live in a way their occupations entitle them to live. That is not considered good business outside this house, and in my opinion it is not good business inside this house.

The people in this house are in various circumstances. As I say, a professional man can supplement his earnings in the recess. The businessman very likely has an income that goes on whether he is in parliament or whether he is in his place of business. But there are a great number of members who are neither professional men nor businessmen. They have been chosen by their electors to represent them here, and it is not easy for many hon. members to get the supplementary income necessary to supplement what they receive here.

It has been said that we should go outside this house and appoint a royal commission to determine the proper scale of parliamentary indemnity. I do not know where we could get more information about the situation than from hon. members themselves, who are experiencing the situation we are trying to remedy. I am sure that if we had a royal commission made up of business people who were getting business salaries they would recommend indemnities which the government could not recommend to this parliament. I am sure that if we had a royal commission made up of people who earn less than we are proposing we would get recommendations that would be on the scale they found adequate to maintain themselves. In my opinion either finding would be meaningless.

No one outside of this house can appreciate the conditions under which members of parliament live and carry on their work. I am sure every member of the government has had conversations with a considerable number of members; and it seems to me, therefore, that the government is in position to recommend an indemnity which is proper under the present circumstances.

It may be that if we enact this legislation, some of us will not come back to the next parliament. I know there are a number of capable young men in Port Arthur constituency who would be likely to stand for my seat if they believed they could make both ends meet while doing it. I think they should have their opportunity. Just because I was able to live and earn in a rather exceptional period and they have to contend with present scales of taxation, I do not see why I should be the man to represent Port Arthur and they should be debarred from standing for office. I daresay the same situation obtains in many constituencies, in that there are a number of able men who are not presently in a financial position to stand for office but who would be able to do so if this change in the indemnity is carried.

I think that is all to the good. I believe it tends to make for a better parliament. I believe the people of Canada will support the action we propose in this bill. I have had a good deal of experience with working on the prairies. There are many representatives from the prairies in this house. I worked there as a professional man for many years, and I never found the people of the prairies a bit reluctant to pay the salaries or compensation that the service justified. Incidentally the farm organizations pay as high salaries as any other business organization. I have never found any feeling of reluctance to pay for the service that was needed at the going rates.

I have had some experience with other classes of people. I notice that the representatives of labour here in parliament are not dissenting from this bill. Why? Labour believes in paying its officers and its representatives rates of remuneration that will allow them to live properly and carry out their functions adequately. I think that that is the real feeling of the people of Canada. They want good representation in this parliament and they are willing to pay a reasonable indemnity for that representation. Therefore I have no hesitation in supporting this bill.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am sure all of us in the house appreciate the moderate and dispassionate manner in which the Minister of Trade and Commerce has just discussed this very important question. I want to say that I could not agree more with him than I do when he says that we should look at the issue on principle, not in terms of personal situations.

I may say further that I could not agree more than I do with the Prime Minister in the closing words of his remarks of last Tuesday. If I understood him correctly, he addressed those closing words primarily to the members on his own side of the house, but they might well have been directed to members in all parts of the house. I refer to his suggestion that members should make their own decision in respect to this matter in the light of what they feel to be best for our Canadian democratic institutions.

It is on that basis, Mr. Speaker, that I approach this question. I could do it on a personal basis. I could discuss my personal situation and that of others, but I do not propose to do so. Rather, I feel it is incumbent upon me, as I feel it is incumbent upon others, to answer this question: What is best for parliament? What is best for democracy? Is it a good thing for the Canadian parliament, for Canadian democracy, to provide for an indemnity and allowance to members of parliament totalling $10,000 a year?

I want to say right at the start and in as clear terms as I can that I do not believe it is good for parliament, for relations between this Canadian parliament and the people of this country, to pay that much and thereby create the economic difference that it will establish between members of parliament and the people whom we represent. I do not go to the other extreme. I do not suggest that it would be good for parliament to have the members of this house paid so little that they would be up against it all the time. That would be just as bad for

parliament as to pay an amount of such size that it separates us too far from the people we represent.

I said a moment ago I did not believe we should go to the other extreme and pay members of this house too little. On the other hand, bearing in mind some of the arguments that have been put forward from time to time during the course of this debate, I cannot help but note it is a matter of history that when the indemnity was only $600 a session—it is true that was a long time ago, and it cost a lot less to live in those days—the fact that the indemnity was only $600 did not fail to attract to the parliament of Canada such an outstanding person as Sir John A. Macdonald. I draw attention also to the fact that when the indemnity was only $1,000 a session it did not fail to attract to the parliament of Canada such persons as Sir Wilfrid Laurier and Sir Robert Borden. In the same vein—

An hon. Member: It is not the money that attracts.

Mr. Knowles: An hon. member across the house interjects that it is not the money that attracts. That is the point I am trying to make. That is a statement with which I thoroughly agree.

An hon. Member: That is what brings you here.

Mr. Knowles: My hon. friend knows far better than that. Hon. members of this house know for a fact there have been many great Canadians across the years this parliament has been in existence who have come here because of their desire to serve the nation or because of certain principles for which they were crusading.

I want to say, Mr. Speaker, if I may make a more modern reference, that I am thoroughly satisfied that when a certain gentleman by the name of Louis St. Laurent back in 1941 was approached to enter parliament, it was not the money which attracted him here at all. Neither was it the money which attracted a certain C. D. Howe back in 1935. My plea is that hon. members should not promote the idea that we have to have a sizeable indemnity in order to attract good men to parliament. The record of the Canadian parliament is a splendid one, and good men have been attracted to it across the years because of a desire to serve the nation, or because of a crusading spirit which has brought many outstanding men and women to this House of Commons.

I simply wanted to make it clear, Mr. Speaker, that I do not believe we should pay too little, nor should we pay too much. It seems to me the problem that faces us is one of degree; one of finding an amount that will make it possible for men to fill this position and carry out the duties of a member of parliament without having so much that they are too far removed from the ordinary people of this country.

It is all right to quote statistics about the rise in the cost of living; it is all right to quote statistics about the increase in the levels of wages and salaries, but everyone in this house knows that the great bulk of the people in this country today, both salaried people and wage earners, are in the bracket between $2,000 and $3,000 a year. Also bearing in mind, as so many hon. members have stressed, the large number of old age pensioners and people on war veterans allowances who are down in the economic cellar, I suggest we should consider seriously the distance $10,000 a year removes us from the people we represent. I think that amount is too much, for the good of the parliament of Canada.

My leader has already mentioned, and the hon. member for Vancouver-Kingsway pointed out this afternoon, that we recognize that a case can be made for some increase over the amount which is provided in the statute at the present time. We will indicate again, as has already been done, what we think would be a reasonable amount when we go into committee on the bill, if the bill receives second reading. At this stage, when the government is proposing a total figure of $10,000 a year, most of us in this group believe—and we are all free in this group to have our views on this question—that it is not the best thing for the parliament of Canada and it is not the best thing for democracy to remove us that far from the great mass of the Canadian people by paying ourselves that much money. That is the reason we are voting against this bill.

Now, Mr. Speaker, the Prime Minister in his remarks today—and he, like the Minister of Trade and Commerce just now, dealt with the matter very dispassionately and in very moderate tones—did suggest that perhaps one of the reasons some hon. members voted against the resolution last Tuesday was that it was a package proposition. I think that is probably true with respect to the reason for the vote against the resolution on the part of some hon. members.

But may I draw to the Prime Minister's attention the fact that what we have before us in this present bill is still quite a package. There are still quite a number of items in it, so it is not just the one question of increasing our own indemnities in this house which is now before us; it also includes the same increase for the members of the other

house of this parliament. In addition there is the provision for an increase in the salaries that are to be paid to various officials—the Leader of the Opposition in this house, the Leader of the Government and the Leader of the Opposition in the other house; the Speakers of both houses, and the Deputy Speaker of this house. I am not going to take time to deal with all these various increases; but I would point out, Mr. Speaker, that back in 1947 when it was first proposed that there be any salary at all for the Leader of the Government and the Leader of the Opposition in the Senate—in addition to their regular indemnities—we took very strong exception to that proposal and voted against it, and in taking that position we had the support of most if not all the members of the Progressive Conservative party and I believe most, if not all, the members of the Social Credit party at that time.

That is still our view. We feel that the total emoluments being paid to these gentlemen are adequate for the job they are doing, and that just because other increases are being provided—and they share in these other increases—there should not be these additional increases in their salaries as well.

So far as the Senate as a whole is concerned, my views on that question are so well known that I do not need to take much time to develop them at this point. I was a little surprised this afternoon when the Prime Minister said he was not concerned even about any modification of the Senate. I would not have been surprised if he had said he did not agree with those of us who favour abolition of the Senate, but he did not even use that word. He just referred to modifying or reforming the Senate in any way, and he said there were other matters which were of more immediate concern to him.

I am interested in the fact that no less a person than George V. Ferguson, who knows a good deal of what is going on in the Liberal party, in a book that he wrote a short while ago entitled "It's Our Business" had something to say about this matter. He said:

> Nevertheless, Senate reform has been a plank of one or more Canadian political party platforms for more than thirty years. It made its appearance first in the Liberal platform of 1919, doubtless because the Liberals were looking forward to power and feared what a Conservative Senate might do to its legislation. The plank is still there, but nobody does anything about it.

Mr. Pouliot: May I ask a question of the hon. gentleman?

Mr. Knowles: Certainly.

[Mr. Knowles.]

Mr. Pouliot: Why does he give more importance to the views of an outsider than to those of his Liberal colleagues in the house?

Mr. Knowles: I was merely quoting an outsider to support my statement that it is the general belief in this country that the Liberal party has stood for Senate reform since 1919. We now find in the words of the Prime Minister today that what George Ferguson said is perfectly true. The plank is still there but nobody does anything about it. Apparently it is the intention of the Prime Minister not to do anything about it as long as he is Prime Minister.

But it does seem to me that at a time like this, when we are being asked to increase the amount of money paid to those who serve in the other place, it is appropriate for some of us who feel strongly about it to say again that we believe there is no need in the Canadian parliament for a second house, particularly one as unrepresentative of the Canadian people as is the Canadian Senate. Therefore if we are opposed to a Senate at all, we are by virtue of that belief opposed to increasing the indemnities paid to members of the other place.

I draw the Prime Minister's attention to the fact that a great many people and a great many newspapers in this country who do not share our view that the Senate should be abolished are nevertheless shocked at the proposal to increase the indemnities of senators to the figure proposed in this legislation. I hope that even yet—I dared to hope it particularly this afternoon, when I thought the Prime Minister was not too sure of his case on this point—consideration will be given to leaving the indemnities paid to members of the other place where they are at the present time.

There are one or two other matters in connection with the bill before us about which I feel I should say a word. The Prime Minister has detailed the history of the Senate and House of Commons Act in respect of the changes that have been made from time to time in the indemnity. I have not gone back to 1867 to check the point about which I am now going to say a word, but I have checked back through two or three of the changes and I find that when the indemnity stood at $2,500 a session the provision with respect to the amount of money that a member would lose for lost time, that is absence in excess of 15 sitting days in a session, was $15 per day. When the indemnity was increased to $4,000 the figure of $15 per day was raised to $25. Again

in 1945, when the $2,000 expense allowance was added, it was provided that for every $25 lost in respect of the indemnity there would be a loss of $12.50 a day with respect to the expense allowance. In other words the total loss for days absent in excess of the 15 per session that are allowed was raised to $37.50 per day.

My point is that on each of the last few occasions when there has been a bill like this before the house amending the Senate and House of Commons Act for the purpose of increasing the amount paid to members, a corresponding increase was made in the amount to be deducted for days lost in excess of 15 per session. But I look in vain for any such change in the bill now before us. It seems to me that the Prime Minister should follow suit, and just as on each of the previous occasions to which I have referred the penalty for lost time was increased, so the penalty should now be increased.

The figures I have given, $15 per day when the indemnity was $2,500, $25 per day when the indemnity was $4,000, and $37.50 per day as it is now, are all roughly proportionate. They are not exactly the same. On the basis of the same proportion the amount should now be either $60 or $62.50 per day. I suggest that when we get into committee the Prime Minister should consider putting another section in the bill to change the appropriate section of the Senate and House of Commons Act that deals with the question of lost time.

I may say that I believe the government should go a great deal further. I think the whole question of attendance in the house should be reviewed, perhaps by a committee of the house, and some more satisfactory means should be found of keeping a record of the attendance of members and of making sure that indemnities are not drawn unless members really perform the service for which they are elected to the House of Commons.

As a matter of fact there are two or three other changes of that kind that it seems to me should be made at a time like this, but I shall leave them until we get into committee on this bill or on the bill that is to follow amending the Salaries Act. The Prime Minister no doubt knows some of the things I have in mind. I have before me a memorandum prepared some years ago by Mr. Watson Sellar, the auditor general. The whole point I am making is that things that need to be tidied up in the Senate and House of Commons Act and in the Salaries Act do not get attended to in the periods between the major changes that are made. Therefore now is the time to make changes with respect to these ancillary matters, or we all know they will not be made at all.

I shall not take the time of the house to deal with details of that kind now but will do so when the appropriate time comes. In the meantime I hope that hon. members generally throughout the house will agree with the Prime Minister, with the Minister of Trade and Commerce and with me that it is up to each one of us to make our decision with respect to the bill now before us on the basis of what we think to be best for parliament, best for our democratic institutions, and best for the relationship between us and the people of Canada whom we were elected to represent. On that basis I shall vote against the bill.

Mr. Macdonnell: Mr. Speaker—

Mr. Speaker: The hon. member for Moose Mountain has risen on several occasions to get the floor. Therefore I feel it is time that he should be given a chance.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I wish to rise and make my position quite clear on this matter. Stated quite simply, it is that I am not in favour of any increase as suggested in the bill.

I might say that the right hon. Prime Minister did a fair thing, and should be highly commended for the manner in which he introduced this bill. He should be commended particularly for the statement he made at the conclusion of his remarks. What I have to say and the position I take on this matter do not and should not, I think, reflect on any member in this house. I believe it is our responsibility to come to our own conclusions, in conformity with what the Prime Minister said during his introduction of this bill.

I should like to read that to the house, as reported on page 1454 of *Hansard* of January 26, 1954:

> I would say to hon. members on this side of the house that if they honestly believe these increases are not in the long run to be in the best interests of our democratic institutions, they should not feel that because I am the one recommending them at this time they should submit their judgment to mine. These matters should be dealt with exclusively on the ground that the opinion expressed by each individual member will be his opinion as to what will really in the long run serve the interests of the Canadian people whom members of parliament are here to represent.

I heartily agree with the sentiments expressed by the Prime Minister, and it is entirely on that basis that I have come to the conclusion not to support any increase at this time. I know that every hon. member

in the house will readily agree with me when I say that there are members in this house who are here for no other purpose than public service. This is certainly true in the case of the Prime Minister and the Minister of Trade and Commerce (Mr. Howe), as well as other members. We do know that in the introduction of this bill they have no personal axe to grind. They are doing it because they believe it is in the interests of parliament and the country that such a bill should be passed at this time.

I think I can speak with some degree of authority on my own position at least, because I am not a new member in the house, having represented the old constituency of Assiniboia from 1945 to 1949. I appreciate the difficulties, of course, that some of us have to face in being members of this parliament. I accepted the nomination as a great honour. At that time I was a registered Canadian seed grower and a producer of registered Hereford cattle. Having a specialized farm, I know some of the things that can happen to a member when he spends 75 per cent or more of his time in the business of representing his people. I do appreciate the financial position of some hon. members.

Again in the last election the people came and persuaded me to accept the nomination to represent them. I accepted it knowing full well that there might be financial considerations and perhaps certain sacrifices to make. I did this, sir, without any knowledge whatever of any intention on the part of the government to increase the indemnity. At this time I do not know what my constituents would think, except that I have had statements from one or two against accepting any increase. It is on my own responsibility, however, after giving great consideration to the matter, that I have decided not to vote for it.

In the first instance, this party is on record as being against the Senate. This in no way reflects on the members of the other place. I know some of those members personally, and I know that they are honourable members. We just do not believe the Senate is a necessary component of parliament, and it costs the Canadian taxpayer well over a million dollars a year. I do not consider it in the best interests of parliament to increase their sessional indemnity.

I want to say that when coming down here I felt there were a great many things that should be done. We still have these recipients of war veterans allowance; we still have our old age pensioners; we still have our superannuated civil servants, who by no stretch of the imagination can be said to be receiving fair treatment from the Canadian government.

[Mr. McCullough (Moose Mountain).]

Then I should like to refer to the statement made just before the dinner recess by the leader of the Social Credit party, who said it would be very easy to determine the increase necessary for members of parliament on the basis of statistics. This may be true, but I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) when he said he did not think it was in the best interests of parliament that members of parliament should be too far removed from the people of Canada.

I have a sessional return dated January 29, 1954, which contains the answers to certain questions concerning the incomes of our Canadian people. According to this paper there are 452,427 who earn less than $500; 443,140 who earn between $500 and $999; 601,652 who earn between $1,000 and $1,499; 690,792 who earn between $1,500 and $1,999. In other words, there are 750,889 wage earners who, according to the latest statistics I can find for 1951, earned between $2,000 and $2,499.

Another figure which I have here, Mr. Speaker, shows what sort of bracket hon. members of the House of Commons will be in if the increase is granted. I find that, according to taxation statistics, 1953, from the Department of National Revenue, which outline the position for the 1951 taxation year, there were only 1·2 per cent of the Canadian people earning $10,000 or more.

So far as I am concerned, I cannot favour the increase. I do not think it would be in the interests of the people. There are some other things which should be done, which I have mentioned, before we would be in a position to support this measure.

In conclusion I might say that if I needed any further argument to encourage me to vote against this measure, I received a letter just the other day from my wife. I had written her saying that there was some movement on foot to increase our indemnity. In her reply she said that I was sent to Ottawa to represent the people and get something better for our farmers who were caught in the price squeeze today. She did mention the old age pensioners, too. I believe, Mr. Speaker, on that ground I must take the position I have outlined.

Mr. J. M. Macdonnell (Greenwood): I wish to take a very few minutes of the time of the house, Mr. Speaker, to explain why I shall vote against the motion for second reading of this bill. I hope I am not taking myself too seriously in this but I should like to make a brief explanation. I shall not vote against second reading because I am against an increased indemnity. On the contrary, like my leader I believe there should be an

increase in the indemnity. I shall say frankly that if this measure becomes law I shall not refuse the increase.

An hon. Member: Nor will anybody else.

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

Mr. Macdonnell: Yes.

Mr. Croll: Will the hon. member say how it is he is in favour of the increased indemnity and yet will vote against the motion for second reading?

Mr. Macdonnell: I am going to try to explain that, and whether or not I shall be successful the hon. member may judge. There have been many good reasons given for raising the indemnity, and I shall mention only one; it was mentioned earlier this evening by the Minister of Trade and Commerce. That is the fact that we often fail to get the kind of candidates we want because they just feel they cannot come here, with the indemnity as it is. That is, I think, a very good reason for being in favour of it, and I am in favour of it.

But my vote is a protest vote. It is a protest against the manner in which this has been carried out. I submit that if this had been carried out properly there might have been no need of my being in the position I am in now.

I wish to compare this situation with one or two other things that have been done. In this case the government, for reasons I do not understand, seems to have behaved in a manner entirely different from that which it adopted when the pensions were introduced. At the time of the pensions there was a consultation with the different parties before the measure was brought to the house. We had a chance of making our contribution, for whatever it was worth. Then there was a committee which studied the matter for a long time, and a great many things were brought to the attention of that committee.

While I admit that pensions are in a somewhat special category, and while I admit that in the long run we do have to be the judges of this thing—because there can be no other final judges—I do submit that by setting up a committee we would be in a better position to reach the conclusion we have to reach. I wish to support what I am saying by pointing out that in a similar situation in Great Britain—entirely similar, so far as I can see—they did appoint a committee; and I wish to read briefly from British *Hansard* of May 29, 1946, quoting from a speech of Mr. Dalton, who said at page 1233, 5th series, 1946:

> We felt it would be very much better for a committee of the members of the house to look into the question quite frankly without any direct lead from the government as to what was desirable. Therefore, on 15th November last a select committee was appointed, and it issued its report on 6th March. On 30th April, with the authority of the cabinet, I made a statement in the house of the government's proposals, which in substance and on the great majority of points at issue, follow the recommendations of the select committee.
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> We are very grateful to the select committee for their work, and I am glad that the report of the select committee was unanimous. Upon the select committee there served some members of considerable experience of the house, and also some young members who brought to the discussions the freshness which is appropriate to new arrivals, and between them they agreed on a number of proposals.

I feel that the Canadian people were entitled to a better method of having this done. I feel that if this is passed without any committee being set up—because I do not think the committee of the whole house is the place to have the kind of intimate discussion we need in this instance—and if this is passed without any further means afforded for study and consideration, then when I go back to my constituency I shall be in a very awkward position. I shall be asked, "You increased your indemnity?" "Yes". "To $10,000?" "Yes". "On what basis did you do it?"—and I feel that I may be in a very awkward position, because I really just have to say, "I don't know." At the moment we are in the position of the children who play that game: "Take any number; double it; divide by two", etc. I do not know how these figures are arrived at. I feel that we should have an opportunity to do what we did—and with good effect, I thought—at the time of the pensions.

There are one or two other points I wish to make before taking my seat. This has been said already, but I think I must repeat that it is in the highest degree unfortunate that this increase was never mentioned until recently. And I wish to draw attention to what was done in 1945, at the time the expense allowance was given. I quote from page 3414 of *Hansard*, from the speech of Mr. Mackenzie King, where he said:

> I had not intended to speak on the resolution but since others have made some comments perhaps I should say a word as to the obligation I have felt in the matter of introducing this resolution. I speak now more particularly to hon. members who have come into the house since the last session, the last parliament in fact. Hon. members who were present at that time will remember that before the end of the session I stated that I thought the allowance paid to members of parliament was wholly inadequate, having regard to their increased obligations, the changed situation in the world, and the corresponding enlargement of their duties since the allowance had been previously fixed.

I think it was unfortunate that that was not done in this instance. It is unfortunate that there was no consultation with other

parties. It is unfortunate that this matter is brought in on a take it or leave it basis and that no committee has been set up, following what seemed to be a sound and wise course taken two years ago.

For that reason, though unwillingly, I shall vote against second reading; though I still hope, even at this late hour, that the Prime Minister (Mr. St. Laurent) may see his way clear to follow the procedure of two years ago and let us have a committee. Because I repeat, it seems to me that the Canadian people are entitled to have this matter dealt with in a better way than is being done on this occasion.

Let me say again I fully realize the truth of what has been said, that in the last analysis we have to be the judges. But in my opinion the last analysis ought not to be until we have done the best we can to inform ourselves, that is, by considering what has been done elsewhere, so that we may have in ourselves—what I have not at the moment—a knowledge of the facts so that I can go to my constituents and justify the particular figures that are decided on.

Mr. Hector Dupuis (St. Mary): Mr. Speaker, I shall not take up much time in this debate, because I have spoken on the matter already. At that time I gave my reasons for being in favour of the bill we are now studying.

I prefer being in favour everywhere I go, instead of being in the position of some members in the house who speak for, when behind the curtain, and speak against when they are in the chamber. I am not going to mention anyone, but I am just making this observation so hon. members will know that I am not talking one way outside the house and another way inside.

I listened with great interest this afternoon to the Leader of the Opposition, who said that while there might be reasons members in this chamber should be entitled to an increase, he did not feel the same applied to members of the Senate. He placed some figures on record in which he showed that members of congress in the United States were receiving $27,000, although it is proposed that we receive only $10,000 here. He said it would be hard for us to explain why we give the same treatment to senators as that given to members of the House of Commons.

In the city of Montreal the council is composed of three classes, namely class A, class B and class C. Class A councillors represent the landlords; class B represent the non-proprietors, and class C represent the people sent to council by different organizations. I believe there are 11 of them, among others the board of trade, the chamber of commerce, the University of Montreal, and other organizations of the like.

All three different classes of councillors are given the same treatment. However, the class C councillors are not elected by the people, but are named to council by their own organizations. In the class C group, if one is a member of the executive committee he will receive $7,000 a year, just the same as any other member of the executive who must be elected. Indeed, we find that the hon. member for Notre Dame de Grace (Mr. Hamilton) is in class C, in the city of Montreal; and as such he is paid the same amount that is paid to the members who are elected by the people. If anybody thought that we were creating a precedent by giving people who are not elected the same indemnity as people who are elected, then may I say here is a good example. A city of a million and a half people has given the same treatment to non-elected representatives as they gave to the elected representatives.

I shall take my seat after this. I just wanted to give the reasons why I shall support the policy of giving an increase to the Senate. This afternoon reference was made to the poor people, to the people who are on old age pensions, to those receiving blind allowances and all those other social allowances that we give. Well, if for one moment I thought—and I say this because I represent a constituency composed of working class people to the extent of 80 per cent—they would be harmed by the action we are taking here or would be deprived of having more done for them, then I would be the first one to oppose the measure.

I shall not use the word I used the other day, Mr. Speaker; I was told we must not use that kind of language, but it is not right to say that we have no use for the poor people or that we do not care for them because we are giving ourselves an increase. If you took your pencil you would not have to calculate very long to arrive at what this will cost the people of this country. It will cost every citizen of this country about ten cents a year to give fair treatment to their representatives.

I do not know if there is anybody in this parliament who does not need an increase. I would be inclined to vote for an amendment of the nature suggested by the leader of the Social Credit party (Mr. Low) when he spoke this afternoon. If any hon. members feel that they do not need the increase there may be an opportunity for them to say whether they want the increase or do not.

So far as I am personally concerned I am not ashamed to say that after my experience I wonder if I can afford for long the luxury of being a representative of this chamber at the indemnity we are receiving now, namely $6,000 a year. In my last speech I gave the reasons for that. Without hesitation I say I know the mentality of my people, and I am sure they would certainly understand why their representative in this parliament has not been afraid to take his responsibility and give fair treatment to parliamentary representatives, not only for himself, not only for this parliament but for those who will succeed us.

Before taking my seat I want to say that if I thought the action we take here would mean that the poor people would have to endure worse treatment or more hardship than they are going through now, I would be the first one to oppose the measure.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, what I have to say will be very brief. It is good to have the opportunity to speak one's own mind on this particular question. We of this party, and I expect of the other parties, too, have that liberty because, while we should not discuss personal affairs or our own economic position or that sort of thing—we all have our own troubles—that I think is a purely personal matter. In so far as I am concerned this is a matter of principle.

We should leave personalities out. I do wish the hon. member for Peace River (Mr. Low) had not suggested, after the hon. member for Vancouver-Kingsway had spoken, that anyone in this party, and I assume he meant the hon. member who had just spoken, was speaking for political purposes.

Mr. Low: May I at once on a question of privilege disabuse my hon. friend's mind. I indicated no one whatsoever in what I said.

Mr. Knight: I am very glad, Mr. Speaker, to withdraw that implication. I am sure the hon. member for Peace River would agree with me that if there is any man in this house who would refuse to abandon his convictions for political considerations that man is the hon. member for Vancouver-Kingsway. He has proved that time and time again.

I was sorry to hear the hon. member for Kootenay East (Mr. Byrne), when the hon. member for Winnipeg North Centre mentioned money, say, "That is what you come here for". I would suggest that if the hon. member for Winnipeg North Centre were sitting on the other side of the house no remarks of that sort would be made about him. I fancy that the hon. members on the other side would rather welcome the hon. member for Winnipeg North Centre on that side of the house if he could be persuaded to cross this floor, a contingency which I would say is not apt to happen. With respect to his ability or his earning power, if anyone wishes to sneer at the hon. member for Winnipeg North Centre as one of those who has come to parliament in order to make his living, I would say that a just-minded man on the opposite side of the house, including the Minister of Finance whom I have heard express himself in this regard, would be the first to say that there is nothing in that.

Since I am speaking of the hon. member for Winnipeg North Centre, may I say that he often puts us on this side of the house in a rather unfortunate position, particularly if we have to speak after him, because when he has finished he has said in as precise a manner as can be just about everything that can be said. I had jotted down an occasional note which I wished to develop myself, but I find myself in the position that he has developed those jottings much more adequately than I could have done it myself. Therefore my object in rising tonight is simply to put myself on record as being totally opposed to this bill.

My reasons for taking this position are of course several. The Senate has been mentioned. I cannot see how anyone can consistently vote for an increase in the salaries of a group of men, no matter how excellent these men may be personally—and they are excellent men; I am not criticizing them at all—when he has spoken time and again in favour of that body's total abolition.

There is one thing, and perhaps it is the only thing new that I may mention, and I think it is fair to draw it to the attention of the house. While the indemnity at the present moment is $4,000 on a sessional basis, owing to the fact that it is on a sessional basis and owing to the fact that during the last parliament of four years there were two special sessions, that gave the members of parliament an extra $8,000. If that is spread over four years we find that an extra $2,000 a year has been received—I almost allowed myself to use the words "take-home pay", which is language that I deplore.

What it amounts to is this, that over the last four years each hon. member has received not $4,000 but actually $6,000. If the Prime Minister's bill had proposed an increase in the indemnity from $4,000 to $6,000 I should have found myself in support of that, not because it constitutes an actual increase, since it would not be an actual increase, but because it would simply put

upon an annual and a secure basis which one could expect to receive each year the amount of money which hon. members have been receiving over the last four years.

I think perhaps that would have been more reasonable. I could have voted for it, but I am not prepared to vote for an increase in the indemnity to $8,000. I can see the point that is raised that this would not give an actual increase of $4,000 but that it is really an increase of $2,000 in the amount that each hon. member would receive.

I was interested in hearing the hon. member for Vancouver-Kingsway expound the theory of economic determinism. I do not agree with some of my hon. friend's statements, but I do agree with that. I believe all of us, whether we know it or whether we do not know it, are influenced in our thinking by our own economic position. I think the hon. member for Vancouver-Kingsway has a point when he says that if our own position is too far removed from the economic position of the vast majority of those whom we represent, we might not have the same understanding or sympathy for those who are less well off than ourselves. I believe that point is well taken.

I know that the hon. member for Vancouver-Kingsway, the hon. member for York South (Mr. Noseworthy) and many of my hon. friends who are older members on all sides of this house would not be so influenced. But I believe there is a danger in the indemnity or total take, if I may call it that, which is now proposed, in that we might attract to this house a group of people who were very interested in that higher indemnity; young men who have not had the opportunity, as some of us older people have, of suffering some of the hardships which many of us did during the thirties. I consider that the most valuable education I ever received, either at school, at university or anywhere else, was the one winter when I spent a total of $18 on my keep, a total which was supplemented by the rabbits I was able to catch in the woods. It is not an experience that I would recommend to my hon. friends except as a source of education.

I said I was not going to mention personal things, but perhaps hon. members will excuse that little personal story. I do believe there is something in the theory of economic determinism in that we have to suffer, we have to experience, we have to live, and not always in a sphere of life far removed from the troubles of the people whom we were sent here to represent.

I do not think anyone is going to be accused of being purely political during this debate. I know I am not going to criticize any hon. members or their opinions. We have all been sent here because our constituents thought it was a good thing to send us here. I am sure that whatever our indemnity may be we will continue to serve this country and the people who sent us here to the best of our ability. I shall vote against this bill.

Mr. H. P. Mang (Qu'Appelle): Mr. Speaker, there is only one reason I rise tonight and that is because my neighbour to the south, the hon. member for Moose Mountain (Mr. McCullough), spoke before the last speaker. There have been a number of angles raised in this debate, but there is one point that strikes me and I shall come to it directly because we have not very much time.

Considerable emphasis has been laid upon pensioners and people who get only $2,000 or $3,000 a year, and it has been contended that before we do anything in this house with regard to raising the indemnity we should consider them. I give credit to the hon. member for Vancouver-Kingsway for lofty motives in what he has said.

There is one point which has not been mentioned during this debate. There is another class of people ranging from Victoria to St. John's, Newfoundland, who spend billions, not just millions, upon beer, wine and whisky. In Saskatchewan last year $40 million was spent on liquor. The hon. member for St. Mary (Mr. Dupuis) has said that this increase in the indemnity will represent only ten cents for every person in Canada. That is just one glass of beer.

Let us get a proper perspective of this bill. When any nation can spend that amount of money upon liquor—I am not saying anything against it because we have had this sort of thing going on since the time of Noah when the ark got stuck on Mount Ararat and they celebrated for three days—when any nation considers the liquor industry as being worth more to the people than its House of Commons, then there is something wrong with the perspective of the nation.

We are called upon to do a great many things in our constituencies as members. If we are going to fulfil our duties properly we should have the wherewithal with which to do it. This is going to help us a little; not altogether, but a little. The hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) is increasing his hardware empire throughout the entire area of western Canada, and he probably does not need it.

Mr. Speaker: Order. An hon. member must not make reference to personal activities outside this house of another hon. member.

Mr. Mang: I withdraw, I am new here. I am sorry. What I am trying to point out is that at one time the people of Saskatchewan elected a government which reduced the indemnity of its members, and we got no credit for it. Then in 1944 the people of Saskatchewan elected a C.C.F. government which has from time to time increased the indemnities, has increased the number of cabinet ministers and increased their salaries. I find it very difficult to understand some of the people who represent that party here tonight.

I am going to support the motion. I think I can defend it in my particular constituency and in the province of Saskatchewan.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I realize that at this hour any hon. member who is opposing this legislation is not likely to win friends or influence people, but I feel that the point of view which I propose to advance should be expressed. I do not mind admitting that I make mistakes from time to time. When I was here in 1945, when the last increase was proposed, I supported it. I have been sorry since that I did not stand by the hon. member for Vancouver-Kingsway in opposing it.

I think there may be very good reasons for giving members of parliament some allowance for expenses, but that increase came at a time when we had successfully held the price line through some very critical years. Every organization in the country was pressing for increases in prices. They wanted to increase the price of steel, the price of farm implements and so on. Workers wanted increases in their wages. What was a perfectly legitimate piece of legislation to make provision for expenses was understood by the people of this country to be an increase of 50 per cent in our indemnity. There was a tremendous reaction against that throughout the country, and by the time things settled down we realized that $6,000 was not any better than $4,000.

On this question I believe our public relations have not been too good. As recently as a week ago a well-known writer, John A. Stevenson, in his "Ottawa Letter" published in *Saturday Night* not only made some critical remarks about the $2,000, but gave us an extra $1,000. I must admit I have never been able to locate it. He mentions reduced rates for staying at the Chateau Laurier; mentions that we get a very good meal in the parliamentary restaurant for $1, and that we do not have to pay our stenographers. As a farmer I was never required to hire a stenographer. My wife never charged me $1 per meal, and I find that though the Chateau Laurier gives a reduced rate of $5.50, there is not one of the 23 members of this group who takes advantage of it.

Mr. Nowlan: Who gets it?

Mr. Nicholson: I understand you pay that rate if you stay for the entire session.

Mr. Nowlan: You are wrong.

Mr. Nicholson: Well, some of the people who have that information ought to put Mr. Stevenson right.

An hon. Member: We have already done so.

Mr. Nicholson: I think it is unfortunate that a well-known correspondent such as Mr. Stevenson, who has the advantage of many privileges in this house, should write in that fashion. His paper is the only one I know of which sends a canvasser around from room to room in this house to secure subscriptions for this paper. He has made three visits to my room without obtaining a subscription, and he does not even ask whether or not it is convenient for me to see him. I suggest a paper that takes that sort of advantage of the good nature of the members here should not accuse us of getting $1,000 which none of us ever get.

Before returning to the House of Commons I was one of those fortunate farmers who was in the happy position of being able to pay income tax. I say that sincerely, because I am sure more farmers are worried about not having to pay income tax than about paying income tax. I found when I made out my returns that I was entitled to include expenses. The Minister of National Revenue (Mr. McCann) supplied us with a very helpful book wherein he gave the financial statement of an unnamed farmer who had a total income of $9,906, but he had expenses of $6,714. It makes a good deal of difference if you take these expenses into account before paying your income tax. If you paid income tax on that gross amount you would have to pay $1,952, but if you took your expenses into account you would pay only $201. I am sure, Mr. Speaker, that members of all political parties have expenses which should be taken into account before paying income tax. However, that is water under the bridge.

Less than six months ago there were 900 candidates in Canada who wanted to come here very badly, but only 265 came. In my constituency there were five candidates, and I am sure if I decided tonight I could not continue to represent the people of Mackenzie for the present amount of $6,000 a year any one of the four would be glad to take my position.

The Leader of the Opposition did not make quite clear whether he wanted the sort of commission which investigated congressional indemnities in the United States. On investigation I found that their commission took five months to consider the kind of complicated question we are apparently going to settle in the next day or two. The commission issued a report with some interesting comments. They said the average congressman spends $3,000 a year more than his $12,500 salary; that many congressmen have to return to private life after a few years to recoup. However, they recommended an increase in the salaries of congressmen and district judges from the figure of $12,500 to $27,500. The Leader of the Opposition said that our two countries are somewhat similar, and that the cost of living is similar in both countries. But he did not finish up the point and say whether he considered the United States recommendations to be fair or unreasonable.

I for one have made some inquiries as to how members are treated in different countries around the world, and apparently there are a great many unreasonable demands on congressmen in the United States. I considered the position in the United Kingdom, New Zealand, Sweden, France and the United States. In the United States members are paid $12,500, but there is rent for office accommodation in your constituency; you are allowed 12,000 words for telegrams, and 30 hours in long distance telephone service from Washington to anywhere in the United States. Many services like that bring the total to up around $40,000.

However, I cannot help but remind myself, as a member of the C.C.F. party, that if I lived in the United States I could not be a member of congress. It is almost impossible for a member of a third party in that enlightened country to ever get a seat in congress or the Senate. At any rate, it has not happened for a long time and apparently it is not going to happen in the foreseeable future. In the other countries mentioned members of parliament, prime ministers and cabinet ministers receive much less than in Canada.

I appreciate the point emphasized by hon. members on all sides of the house regarding the contribution the present Prime Minister has made. I am told the return we gave him for coming here was probably less than a third of the amount he enjoyed as an outstanding lawyer. But there have been compensations. The Prime Minister is about to embark on a world tour. I believe there are men in Canada who would give a million dollars if they could exchange places with the Prime Minister just long enough to make this tour around the world. But a million dollars will not buy that sort of experience; and the Prime Minister did not wait to come here before interesting himself in public service and endeavouring to serve his fellow men. What I said of the Prime Minister could be said of the Minister of Trade and Commerce, and I am sure of all members of the cabinet. I am proud of the fact that although the salaries paid to cabinet ministers during the war years were very small compared with the returns that went to some of the people doing business with cabinet ministers, we did not have any scandal in Canada during that period. Such a scandal would have weakened faith in democracy, and I am glad members of the opposition have not been able to uncover any scandal of any great proportion in connection with Canada's war effort.

I do not care whether I am accused of being a hypocrite by some hon. members opposite. I am prepared to let the people of Mackenzie decide that question. I want to suggest that life is a bit too short to place ourselves in the position that this move is going to place us in. In my opinion the net effect is not going to be nearly as attractive as some of those who are voting for this measure think.

I know the advice I gave to some of my friends on all sides of the house when I was here before was not taken too seriously. I suggested they go back home and get some of their supporters to put some money into their political party every year. The Liberal party, the Conservative party, the Social Credit party and the C.C.F. party—that is the only one I worried about—would all do much better if every person would select some party and support that party as generously as his financial position permitted.

I am in the happy position of having been a candidate on five occasions. I was elected three times and twice defeated, but on every occasion there were at least dozens of people in my constituency who put up more money for election expenses than I did. The net cost for me was very little whether we won or lost. I would prefer to continue my relations with my people on the basis that as a member of parliament I was not in as favourable a position as some of them have been who have operated farms or businesses during these more lucrative years.

I must also say that I do not see how in this day and age we can support an increase for the members of the other place. Surely a cheque of $500 a month for life for people who do as little as the members of the other place—I do not wish to reflect on any of them personally; many of them are friends of mine, although they probably will not be

now—is quite an ample amount, and the proposal to increase their pay by $333 a month is something I cannot support.

Then there is a final point that is important to me. I represent a constituency that has within it a very large number of people unable to pay any income tax. When I spoke on housing the other night I gave figures as to the value of housing in my constituency in 1941. I doubt that there is any constituency in the country with a lower average value for housing. I simply cannot go back to my people and say that I could not get along on $6,000 a year and had to have an increase. Therefore my position will be that I cannot support any increase.

Mr. A. W. Stuart (Charlotte): I should like to take a few minutes of the time of the house to place some of my views on the record. There would seem to be a feeling among some members, in fact it has been expressed tonight, that there is doubt as to the sincerity of certain hon. members who have taken part in this debate. They may wonder how that suspicion arises. As far as I am concerned it comes about from having followed the speeches made by members in the house in the nine years I have been here. During those nine years I have seen members stand up and vote for increases to all civil servants. That was done without any hesitation. They have also suggested increases in family allowances, old age pensions and every other social service with which the house has to deal.

Knowing that they do not have the responsibility for financing such increases, I wonder if they would have taken the same attitude if they had been in the position of the government. It is very easy to suggest increases for others when you are not responsible for finding the cash to take care of those increases. If you look at the order paper, and the same is true in any session of parliament, you will find that it contains resolutions which if they were all carried out would increase the cost of government by hundreds of millions of dollars. These resolutions are brought forward each year. We listen to them being discussed in the house day after day. Are these resolutions sponsored by irresponsible people or are they really sincere in saying what they have said on the floor of the house?

I have had members come to me in the last six months—this was also mentioned by another member a few moments ago—and ask me what I had heard about an increase in the indemnity; and I can say, without any fear of contradiction, that they used a different tone outside the house than inside the house. I am one who is firmly convinced—

Mr. Nicholson: On a question of privilege, a reference has been made which would imply that members who have spoken as I have spoken have spoken otherwise outside the house. I want it clearly understood that no member can say that I have spoken outside the house in a different way than I have spoken tonight.

An hon. Member: Sit down.

Mr. Stuart (Charlotte): That is not a question of privilege.

Mr. Nicholson: No member can make that sort of reference without naming the member involved.

Mr. Stuart (Charlotte): I have made that sort of reference and I am not naming the members involved. I have made it, and I am standing on that ground because they have come to me and asked me.

Mr. Speaker: Order. The hon. member has made a blanket declaration that members who have spoken in the debate along a certain line have expressed different views outside the house. His statement might imply that most or all of those who have spoken are considered by the hon. member as being of that calibre. I do not think he should make that kind of implication. I do not think he needs to do so for the purpose of his argument.

Mr. Stuart (Charlotte): I did not have any intention of accusing them all. I said some.

An hon. Member: Give names.

Mr. Nicholson: On a question of privilege—

Mr. Stuart (Charlotte): Mr. Speaker—

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

Mr. Nicholson: No hon. member can accuse other members of the house of speaking one way in the house and otherwise outside the house without naming the members involved and giving those who are under a cloud a chance to defend themselves.

Mr. Speaker: If the hon. member who is speaking does not mention any names there is no reason for another hon. member to rise on a question of privilege. Why should the hon. member think he is being singled out particularly? His name has not been mentioned. Realizing that perhaps a dozen or more members have taken part in the debate, and since the remarks of the hon. member

for Charlotte were general in character as if he were implying that all those who had participated in the debate on second reading of the bill were speaking one way in the house and another way outside, I have asked him not to carry on in this vein, and he has explained that if he did cast any implication it was certainly unintentional. I think that is sufficient. I would imagine that the question of privilege raised by the hon. member is now settled.

Mr. Stuart (Charlotte): There is another question that worries me somewhat. Many speakers have referred to the Senate. If the Senate had a majority of Conservative members today I wonder if those members of the Conservative party in the house who have spoken would use the same tone they have used in this debate. If there were a majority of C.C.F. members in the Senate I wonder if C.C.F. members of the house would use the same tone they have used in this debate. I am very doubtful that they would. Because there is a Liberal majority in the Senate they have taken advantage of that fact to speak as they have, but I feel quite sure in my own mind, although I have no way of proving it, that if things were reversed they would adopt a different attitude.

Another thought I have in my mind is that this legislation was perhaps designed to keep the good members we have in the house. Let me say at the outset that I do not class myself as a good member. I would say that the legislation was designed to keep the good members and at the same time induce more able and efficient businessmen to enter public life. In the back of my mind there is the thought that some members of the house may be worried about the results of the next conventions. From the discussion that has taken place here it would seem that they fear there may be a little more competition when the next election rolls around. I for one am convinced in my own mind that, with the indemnity increased to $10,000, I will have to fight to get the nomination in my own riding. There are plenty of citizens there who can do a better job than I am doing. The increase in the indemnity will induce them to come out, and if they can do a better job this is the place for them. If that is the case I want to see them win the convention when election time rolls around again.

Mr. Rowe: That is good.

Mr. Stuart (Charlotte): Comparisons are made in the house as to prices, wages and a hundred other different things. We usually make use of the conduct of the socialists for purposes of comparison. The member who spoke before me mentioned the indemnity paid to congressmen in the United States. Surely he is convinced that they are receiving a much greater indemnity than we are. He mentioned some of the services with which they are provided by way of supplementing their indemnity. Again this is something we do not have in this house. There is no comparison between the indemnity that is paid to United States congressmen and that received by members of this house.

Another fact that has never been brought to light in this debate is that if a member—I speak now for myself—receives the increase of $4,000 his income tax will be increased by anywhere from $1,600 to $2,000. That is as close as I can calculate it at the moment, but perhaps the minister could help me with the calculation. This would give me an indemnity of about $6,400. I believe that if you took all the members of the House of Commons and the members of the Senate and calculated what they would pay in income tax, you would find that instead of $10,000 they would receive a whole lot less. When the income tax is deducted it goes back into the government pot, so it is not $10,000 the people of this country will be paying to each member of parliament and each member of the Senate.

In 1905 the indemnity received by members of parliament was $2,500. In 1920 this indemnity was increased to $4,000 by a Conservative government. I believe you will all agree with me that in 1920 conditions were not too good. I can remember that year very well, and conditions were not good; but the Conservative government saw fit to increase the indemnity from $2,500 to $4,000. If the figures I am about to give are not correct, I should be glad to have them corrected. I believe that prior to 1939 the average total revenue of this country was about $600 million; that is what this parliament had to deal with. It has grown until today the revenue is over $4 billion. In other words you have seven times the revenue to deal with today that you had even 15 years ago. Surely that means longer hours and more work for members of parliament.

I should like to speak for a moment now about my own case, and then I shall resume my seat. When I was nominated in 1945 I was working for the civil service. At the age of 65 I could have taken superannuation which would have provided for my family and myself. I came here in 1945, and I have been here nearly nine years. If I were defeated in the next election, I would be over 50 years of age. No one in industry today wants to employ a man 50 years of age or over. The only hope I might have of finding

employment would be through the sympathy of a friend, and that is exactly the position in which I would be placed.

An hon. Member: A night watchman.

Mr. Stuart (Charlotte): A night watchman might be a very good description of the position. I can assure you that since I came here nine years ago I have been able to get by, but I have had to live very carefully. I do not believe the citizens of the county I represent want me to live that way.

Hon. members who have spoken previously in opposition to this legislation have given me the impression that they are placing price tags upon themselves. I have no quarrel with that, but I do not want them to put a price tag on me. If anyone is going to put a price tag on me I want the electors of the county of Charlotte to do that. When the next election rolls around they will have an opportunity to decide if I am worth $10,000 or whether they would rather have someone else represent them.

Those are my views. I feel that the majority of the members in this house will support the increase in the indemnity before this debate is finished. There may be some who will change their minds and support this legislation. Again I want to say that if there is any member here who does not want to accept the increase, I do not believe he will be forced to do so. If he is happy with the $6,000 he is receiving, and is sincere in what he has said in this debate, I believe the Red Cross or some other charity would be happy to receive the $4,000 he does not need. I can use it, and I am going to support the legislation.

If I have said anything during this debate to leave the implication that members have not been sincere, those statements were based on the facts I have produced. It would appear to me that these members are willing to spend hundreds of millions of dollars for everyone else. We all agree there are more civil servants than there are members of parliament; there are more old age pensioners and there are more receiving family allowances, so it would appear to me as though they might be playing politics with this measure.

Mr. J. W. Noseworthy (York South): Previous speakers have already referred to the fact that this is a package bill, and package bills are generally difficult to deal with. It is always a question whether we shall support the bill because of the sections in it which we can support, or whether we shall vote against it because there are sections in it which we cannot support. I believe we had an excellent example of that in the housing bill upon which we voted last week. There were a great many members in this house who criticized sections of that bill, but all of them voted in favour of it on the assumption that they should vote for that part of the bill which they could support rather than against it because of the parts to which they were opposed.

I believe we have to decide how we are going to vote on this bill. I do not think we can escape that responsibility by suggesting that we hand over the decision to some outside group. The Leader of the Opposition seemed to feel it was necessary to set up a royal commission to discover whether the Leader of the Opposition in this parliament should be paid $15,000 in addition to his sessional indemnity. I certainly do not need a royal commission to decide whether my indemnity should remain at $6,000 or whether it should be raised to $8,000 or $10,000. I fail to see why 265 members of parliament should require a royal commission to enable them to decide what their indemnity should be.

I am going to support this bill, notwithstanding the fact that there are some things in it of which I do not entirely approve. I cannot support the increase proposed for senators, since the party to which I belong and to whose policy I subscribe is pledged to the abolition of the Senate. The only advantage I can see for the interests of Canada in the proposal to increase the sessional indemnity of senators is that it may hasten the day when the country will demand the abolition of that institution. I presume that if we were to pass this bill providing an increase in indemnity for members of parliament but no increase for the members of the Senate, the bill might be sent back to us. I am not sure that would not be a good thing. I think it would do a good deal to arouse public opinion in support of the idea which this party has supported.

I am supporting the bill in so far as increases for members of the House of Commons are concerned. I am supporting it on the ground that I have every reason to believe my constituents feel I am worth as much in the House of Commons, as a member of parliament, as I would be back in my own constituency, in the classroom of a collegiate. The position I vacated to come here in 1942 now pays a salary of $8,000 a year. That $8,000 would be worth much more to me as a teacher in that school than the $10,000 will be to me as a member of the House of Commons.

I think most of us are agreed that it is in the best interests of Canada, that, since parliament legislates for all classes of Canadians, all classes of Canadians should be represented

in it. I am not satisfied that it would be in the best interests of Canada that we should have a House of Commons made up of 265 members from any particular class in Canada, whether it be industrial workers, farmers, or any professional or business group. Of course if there is any one profession that would be entitled to send 265 members here, and to provide a good parliament, that profession would be the teaching profession.

Since in a sense every Canadian is a shareholder in this parliament, I think it is in the best interests of Canada that all classes of citizens should be represented. If all classes are to be represented, then there are some to whom this must of necessity be a full-time job. To name only one profession, no school teacher in this country could undertake to come to Ottawa as a member of parliament and at the same time maintain connections with his profession. For him it must become a full-time job. I doubt whether any labour man working at his trade or in a shop could come here as a member of parliament and retain his former job. It must be for a labour man, as it has become for my hon. friend from Vancouver-Kingsway, a full-time job; and the indemnity must take that into consideration.

It is unquestionably advantageous that those who come here from business, from the professions or from the farms should be able to maintain contact with their businesses, their professions or their farms. I think there is an argument that members of parliament who belong to those groups can keep themselves better informed and in closer touch with the problems of those whom they represent by so doing.

However, I do not agree with those who maintain that the length of our sessions or the number of times we are called together should be determined by the class of private businesses or professions in which those particular members are engaged. I am convinced that every member who comes here should make his position as a member of parliament his primary job, his most important job, his first job; and that any association he may have with his profession, business or farm should take second place to his position as a member of parliament. Consequently he should be available for any sitting, no matter how long, if the business of parliament requires that he be here for that length of time. He should be in a position to be here as often as the business of the country requires.

Taking that into consideration, I can well understand how those who come here from business, the professions or even from the farms make a considerable sacrifice. I can well understand that if we are to have successful professional men, businessmen and outstanding farmers to serve as members of parliament, then of necessity we must be prepared to pay an indemnity that will help to make up for any sacrifice they may have to make.

On motion of Mr. Noseworthy the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall continue this debate, and when we have disposed of it we will take up the Salaries Act amendment, and then the Post Office Act amendment.

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

Appendix

COMMONWEALTH FINANCE MINISTERS' CONFERENCE

SYDNEY — JANUARY, 1954

COMMUNIQUE

We have met as the financial representatives of the United Kingdom, including its colonial territories, Canada, Australia, South Africa, New Zealand, India, Pakistan, Ceylon and the new Federation of Rhodesia and Nyasaland.

We represent not only peoples and governments devoted to the full spiritual life of the individual, but also between us, the greatest mass of resources, developed or potential, in the world.

We have discussed many matters of supreme financial and economic importance. We have carried on the work of the London conferences, reviewing the policies we then adopted and reporting to each other the progress made under those policies. We have been informed of the discussions between the United Kingdom, representing us, and the western European nations, and the United States of America. The relevant facts have been faced and future trends estimated. We have envisaged the development of our commonwealth, and have found ourselves confident of its strength and sure of its high destiny. The matters which we have to report may seem prosaic. But we ourselves have seen in them great possibilities and widening vistas for our own countries, for the commonwealth of nations, and for the world.

Great edifices must be built upon solid foundations, patiently constructed. We do not expect the complete building in a few months; but we have met in a spirit of self-reliance and of determination that success will be achieved.

In that spirit, we look with friendship at the other great nations, and invite them to be our collaborators in problems which may appear technical, but which are in reality the common problems of peace and prosperity.

We now state the considerations which we have had in mind, and the conclusions which we have reached.

1. The object of our present meeting was to consolidate the economic progress made by the sterling area and the commonwealth during the last twelve months to seek means to accelerate that progress and to ensure that they make their full contribution to world prosperity.

2. During the last year the sterling area countries of the commonwealth have made great strides towards the objectives which they set for themselves in January, 1952, and confirmed and amplified in December, 1952. The commonwealth countries rejected then, and we reject now, the view that any solution of our problems can be found in the creation of a closed system of discriminatory arrangements, which could lead only to chronic restrictions and recurring crises. We therefore reaffirm our agreed objectives, which are to strengthen the position of each country and of sterling as a currency, and to establish with other countries a wider and freer system of trade and finance in which convertibility of sterling is an essential part. Thus we shall serve the best interests of all, not only in our own countries but in the world as a whole.

The Outlook for World Trade

3. We have considered the outlook for world trade. The commonwealth is responsible for about one-third of that trade. We are conscious of the vital importance which the actions and policies of our countries could have when, as must be the case from time to time, there is some uncertainty about the future.

4. Our first resolve is to ensure that our own actions and policies will be such as to inspire confidence. We stand prepared to take appropriate steps, both individually and in concert with each other, to sustain production and trade and the sound development of resources, and to ensure that temporary economic fluctuations are not permitted to interfere with our progress towards our long-term objectives. We are also ready to co-operate with other countries and international institutions to this end.

Commonwealth Finance Conference

5. In this co-operation the United States of America and Europe have a special part to play because, with the commonwealth and sterling area, they are responsible for three-quarters of world trade.

6. We were therefore encouraged by the recent message from President Eisenhower to the United States congress in which he said:

> This administration is determined to keep our economy strong and to keep it growing.
>
> At this moment, we are in transition from a wartime to a peacetime economy. I am confident that we can complete this transition without serious interruption in our economic growth. But we shall not leave this vital matter to chance. Economic preparedness is fully as important to the nation as military preparedness.

7. The chancellor of the exchequer reported to the conference developments during the last year in Europe and in the organization for European economic co-operation, and called attention to the expansion of production and the strengthening of the position of European countries generally.

8. We also noted that the international monetary fund, in its report to the economic and social council of the United Nations, stated that—

> —in order to prevent small depressions from growing into large ones, such supplementary reserves (i.e. international reserves in the international monetary fund) should be supplied early, on liberal terms and in adequate amounts . . . But primary reliance for the avoidance and cure of depressions must be placed upon appropriate measures at the national level, especially in industrial countries.

9. The sound economic policies pursued by the commonwealth countries, the publicly expressed resolve of the United States government to keep the economy of the United States strong and growing, the expansion of production in Europe, and the substantial increase in monetary reserves outside the dollar area provide, in our judgment, solid grounds for confidence.

Progress in the Short-Term

10. The conference then discussed current policies, namely:—

(a) the maintenance of a strong balance of payments position and the strengthening of the central gold and dollar reserves;

(b) sound internal policies and the need to restrain inflation;

(c) economic development of resources.

11. Considerable progress has been made in the application of these policies during the past twelve months, a period when, despite weakness in certain commodity prices, economic conditions have been generally favourable. In the result the over-all deficit in the sterling area balance of payments in 1951-52 was turned into a surplus in 1952-53, the position of sterling in the world has been strengthened and the central reserves have steadily increased. But we realize that much still remains to be done.

Short-Term Balance of Payments

12. The policies adopted since the meeting of commonwealth finance ministers in January, 1952, have been at the base of the remarkable change in the balance of payments of the sterling area. In the year ending 30th June, 1953, the sterling area had a surplus of over £400 million in transactions with the outside world, compared with a deficit of nearly £1,000 million in the year ended 30th June, 1952. This marked improvement in the fortunes of the sterling area, to which all members have contributed, brought with it an increase of about £250 million in the central reserves of gold and dollars. These reserves have continued to increase, although rather more slowly, in the second half of 1953, and at the end of the year stood at £900 million. Throughout the period sterling has gained strength.

13. The conference reviewed the prospects for the coming year. We agreed that the sterling area as a whole would seek to maintain a substantial surplus in its payments with the rest of the world. Earlier the main emphasis was placed on dollar earnings. Although the dollar situation has improved, we should not relax our efforts to achieve a dollar surplus; but it is just as important today that we should earn a substantial surplus in other non-sterling currencies. We recognize that success in these aims will depend in part on the level of world trade, but we emphasize that the primary task of all sterling area countries in the forthcoming year is to increase their earnings by intensive efforts over the whole field of exports.

14. In this task we must show ingenuity, increased efficiency and competitive strength. We cannot afford to disregard any market, and we must develop our exports wherever we can. While we must continue to expand our traditional major exports, we must also expand our exports of the immense variety of other products which in the aggregate form so large a proportion of the total earnings of the sterling area.

15. The communique of the commonwealth economic conference in December, 1952, referred to the extensive restrictions which some countries of the sterling commonwealth had needed to impose upon imports from the United Kingdom and other commonwealth sources. There was agreement at that time that these restrictions should be relaxed as the external financial position of these

countries improved. We note with satisfaction the progress in this matter which has since been made by several sterling area countries and the prospects of further progress made possible by continuing improvement in their balances of payments.

Internal Policies

16. We have reviewed the internal policies of our countries and have observed that considerable improvement has been made during the past year. But more remains to be done and the importance of this part of our task cannot be over-emphasized. On the application of sound economic policies depends the purchasing power of money, the cost of living and the ability to sell exports in increasingly competitive world markets. Shortcomings in the internal policies of any one member affect the external fortunes of the whole sterling area by creating excessive demand for imports, diverting resources from export industries and throwing the balance of payments out of equilibrium. Our governments will continue to follow the policies which have served satisfactorily in the past year. Where necessary they will be adjusted so as to encourage increased production for export and to stimulate savings, upon which the development of the commonwealth substantially depends.

Development

17. The commonwealth has great resources, natural, human and industrial. The need for their development is urgent, and indeed, vital. The aim of all sterling area commonwealth countries is to concentrate on the development of those resources which, directly or indirectly, contribute on an economic basis towards improving the balance of payments of the sterling area. In some countries of the area, however, development plans have been made to provide for some basic improvement in the standards of living, which is a necessary foundation for further economic development.

18. The outstanding impression given by the reports made to us by our colleagues is of the immense variety and intensity of the efforts which are being made to turn to productive use the many resources, both large and small, of the commonwealth countries.

19. It is impossible to describe briefly all these activities. The following are examples. The development of food production has been intensified throughout the commonwealth. This has called for irrigation and other schemes for bringing more land under cultivation, technical improvements, mechanization and training. The production of such commodities as cotton, jute, wool, wood pulp, timber, tobacco and sisal has been maintained. There has been continued development of the mineral resources of the commonwealth, in particular, uranium, gold, copper, nickel, chrome, asbestos, coal, iron ore and bauxite. The production of some commodities, such as tin and rubber, has been affected by fluctuations in world demand. In a number of countries the search for oil and the development of oil and production of natural gas are in progress. The development of heavy industries continues to have an important place. The expansion of iron and steel production and the production of aluminium are proceeding in a number of countries. A great variety of other industrial development is also taking place. Efforts to improve and extend transport facilities have continued and there has been considerable expenditure on road, railways and harbour works. Substantial programs for increasing electric generating capacity, both thermal and hydroelectric, are in progress. Schemes for improvement of housing, education and health services are under way.

20. There is much evidence that development has everywhere gone ahead more smoothly and economically as inflation has been checked and excessive competition for resources has been materially lessened. This makes it clear that sound internal policies are just as important to economic growth as they are to a healthy balance of payments.

21. We have reviewed the factors which affect the scope and pace of development. Supplies of goods for development have much improved. But in most cases finance is still the major factor limiting development. Each of our governments will continue policies designed to secure the highest possible level of internal savings. However most individual countries and the sterling area as a whole still need additional financial resources from outside.

22. At the commonwealth economic conference of December, 1952, the United Kingdom government undertook to make a special effort to provide additional capital for commonwealth development, in the knowledge that this required an adequate level of internal savings and an adequate surplus in its overseas accounts. In 1953 the United Kingdom government authorized loans and grants totalling £120 million for development in the sterling commonwealth, including the colonial territories for which the United Kingdom has a special responsibility. The loans were made through a number of channels, including the London market, the export credits guarantee department and the colonial development corporation. Grants were

made to the colonial territories from colonial development and welfare funds. The United Kingdom government will continue this policy in 1954, and will make special efforts to develop its own resources. While this involves burdens and risks, the United Kingdom government has consciously undertaken the task in the faith that sound development is the basis of the future prosperity of Britain and the commonwealth, that such development is needed in bad times as in good, and that the provision of finance from the United Kingdom will substantially help its own exports.

23. Finance from the United Kingdom for commonwealth development flows through many channels. Two new channels were opened up in 1953. The Commonwealth Development Finance Company has started operations, its role being primarily to help the financing of development undertaken by private enterprise. A beginning has also been made in the use of the sterling which the United Kingdom made available for lending through the international bank for reconstruction and development. There are cases however which international bank finance does not fully cover, for example, where development consists of large self-contained projects combined with a mass of small items involving over-all a high proportion of local expenditure. Commonwealth governments may now approach the London market after consultation with the United Kingdom government, not only in relation to particular projects, but also in support of general programs of development, provided the necessary conditions have been fulfilled. In view of the many claims upon this market, including provision for development in the United Kingdom, access has to be limited. The United Kingdom government will therefore wish to be sure, first, that the programs as a whole are in conformity with the general policy of concentrating on the improvement of the sterling area's balance of payments, and secondly, that the country concerned is making an adequate contribution from its own resources. It is also necessary in the general interest for the timing of any such borrowing to be carefully regulated.

24. We have reaffirmed our determination to press on with development, in conformity with our general policy, to the limit of available resources. In some of our countries private enterprise is making a large contribution to development. Governments will be concerned to promote balanced development, whether public or private, to pursue policies designed to increase the flow of savings, and to encourage private investment from both internal and external sources.

The Collective Approach to Freer Trade and Payments

25. We reaffirm our support for the proposals, shortly referred to as the collective approach, which emerged from the commonwealth economic conference of December, 1952. These proposals, which are set out in full in paragraphs 17 to 22 of the communique of that conference, are designed in general to bring about the widest possible system of multilateral trade and payments, the reduction and progressive elimination of import restrictions, and the convertibility of sterling and other important currencies. They are based on collective action, by debtor and creditor countries, to bring about a balance in the world economy on the basis of "trade not aid".

26. The growing confidence in sterling and the increasing strength and flexibility of the economies of the sterling area countries have enabled them to make progress in the move towards expanding trade and freeing currencies. But decisive action must be related to the fulfilment of the conditions indicated in the communique of the commonwealth economic conference. These conditions are:—

(a) The continuing success of internal policies of sterling commonwealth countries;

(b) The prospect that trading nations will adopt trade policies which are conducive to the expansion of world trade;

(c) The availability of adequate financial support, through the international monetary fund or otherwise.

27. We have noted with great satisfaction the passage in President Eisenhower's recent message to congress in which he referred to the creation of a healthier and freer system of trade and payments in which others could earn their own living and the United States economy could continue to flourish. All commonwealth countries await with interest the detailed recommendations which the President will make to congress after the joint commission on the foreign economic policy of the United States has made its report. While stressing the importance of the policies, external and internal, which our own countries should pursue, we believe that the forthcoming declaration of United States policies will have a profound significance for the free world.

28. We reaffirm the intention of our governments to work as far as possible through existing international organizations dealing with trade and finance.

29. The functions which the GATT and the IMF perform will become even more important when moves to freer trade and currencies are concerted; their rules, procedures and organization need close examination and

review in some respects if they are to play a full and effective part. We note the forthcoming review of the GATT and agree that there should be prior consultation among commonwealth countries about this in the light of the circumstances then existing.

30. The sterling area has a close interest in the European payments union through the membership of the United Kingdom in that union and the use of sterling in it. We will follow with interest the studies now proceeding in the OEEC on convertibility and how a transition can be best effected from the EPU to a wider system of trade and payments.

31. We conclude by saying something about great, though intangible, matters. We come from the ends of the earth. We represent nations, varying in language, religion, and in tradition, developed or underdeveloped, divided physically by the mountains or by the waste of seas. But we have met not as strangers but as friends. We have not met to discover how we can strengthen each of us himself at the expense of the other, but ourselves as a family of nations. For we have faith in ourselves, and in our future, and in our enduring company, one with another. Our congress, however, does not end there. We are not a commonwealth of nations, arrayed against the rest of the world. We are for the world. The free world is built upon freedom. Freedom is built upon strength.

32. The underlying element of thought and feeling at our meeting has been our deep and united faith that the strength of our commonwealth is the strength of freedom; that the freer exchange of currencies and trade can be best assisted by the strength of our own currency and the expansion of our own trade and commerce.

33. We avow ourselves, and the nations which it is our honour to represent, the friends of peace, the advocates of peaceful trade, the apostles of understanding. We even venture to look forward to the day when the developed wealth of our own nations will serve all others; when trade and prosperity will know no inhuman barriers; when the raising of living standards will be the common endeavour of all; and when the friendly brotherhood which we have experienced in this conference will have become the common lot of mankind.

HOUSE OF COMMONS

Tuesday, February 2, 1954

The house met at 2.30 p.m.

PRIVILEGE

MR. HAMILTON—REFERENCE TO REMARKS IN DEBATE BY MR. DUPUIS

Mr. W. M. Hamilton (Notre Dame de Grace): I rise on a question of privilege, Mr. Speaker. Last night, speaking in this house, the hon. member for St. Mary (Mr. Dupuis) rather left the impression that as a member of the council of the city of Montreal I was making more than I am per year. He said, as reported at page 1662 of *Hansard* for February 1, 1954:

> In the class C group, if one is a member of the executive committee he will receive $7,000 a year, just the same as any other member of the executive who must be elected. Indeed, we find that the hon. member for Notre Dame de Grace (Mr. Hamilton) is in class C in the city of Montreal . . .

I should like to inform the house that as a class C member I am making only $1,500 per year, and not $7,000, although sometimes I feel as though I do $7,000 worth of work.

MR. MACINNIS—CHANGE IN REPORT BY MR. LOW

Mr. Angus MacInnis (Vancouver-Kingsway): I wish to rise on a question of special privilege. At the adjournment of the house last night a member of the press gallery called me on the telephone and told me that when the hon. member for Peace River (Mr. Low) was speaking in the house yesterday afternoon he said that in 1945, when the expense allowance was proposed, I had stated that I would refuse to take it. Then, the hon. member said, I did take it.

I waited until I saw *Hansard* this morning, and I found that was not the way it appeared in *Hansard*. I went to the *Hansard* office to see the typewritten report. This is how the report read, and it was changed:

> He told us at that time that he would refuse the $2,000 expense allowance because he was a socialist. Well, he took it just the same.

In the *Hansard* report as it appears today the word "refuse" was deleted and the words "vote against" were inserted. I am not objecting to any member making small corrections in *Hansard*. We all do it. But the change the hon. member for Peace River (Mr. Low) made was not a small correction. At the time he made the statement, he either knew what I said in 1945 or he did not know. If he did not know he should not have attributed to me words that I did not use.

I have looked up the words which I used, as they appear in volume III of *Hansard* for December 14, 1945, page 3482:

> Mr. Lennard: Will the hon. member permit a question?
>
> Mr. MacInnis: Certainly.
>
> Mr. Lennard: Will he accept the additional $2,000 if it is offered to him?
>
> Mr. MacInnis: The $2,000 is not offered to me. If this house approves this bill, then it becomes law—
>
> Mr. Lennard: Will the hon. member accept it?
>
> Mr. MacInnis: Then it becomes the law of the land, and I will accept the $2,000—

Before the hon. member for Peace River made an allegation such as he made yesterday, and which is particularly strange coming from a man who asserts his Christianity every time he speaks in this house—

Some hon. Members: Order, order.

Mr. MacInnis: —he should have consulted the record and ascertained exactly what I said.

Mr. Speaker: The hon. member should not go beyond stating his question of privilege.

Mr. Solon E. Low (Peace River): Speaking to the question of privilege, may I say that it is correct that I made a correction in *Hansard* yesterday. When I was leaving this house in the afternoon one of the members of the C.C.F. party drew my attention to the fact that he gathered from what I said that the hon. member for Vancouver-Kingsway (Mr. MacInnis) was reputed to have said he would refuse the $2,000 expense allowance in 1945. I told this gentleman that it was not my intention at all to impute to the hon. member anything that was wrong. I said that if upon examining the *Hansard* record I discovered that was the way it was worded I would certainly make a change, because that was not what I meant. Often, in speaking without notes in debates in this house, even the hon. member has made statements which he has later changed. I leave it to the hon. member himself to say whether he has made any changes. I made the change because I knew that was the correct thing and I would not, Mr. Speaker, impute to the hon. member for Vancouver-Kingsway anything that he did not say or did not do.

Mr. MacInnis: I must say that I am not finding fault with the member for making the correction in *Hansard*. We all do it. But if the hon. member for Peace River found out that he had made a mistake of that magnitude in this house, a mistake which went out to the press, then it was his duty to make the correction in the house before the evening was over.

Mr. Low: Well, Mr. Speaker, I have not been given any chance whatever, so may I take this opportunity to say that yesterday in the debate I did make a statement which later, having found it was incorrect, I corrected in *Hansard*. I correct it now and say to the hon. member for Vancouver-Kingsway that I would not, under any circumstances, try to put on the record something about him that was not true.

BANKING AND COMMERCE

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. David A. Croll (Spadina) presented the first report of the standing committee on banking and commerce, and moved that the report be concurred in.

Motion agreed to.

PATENT ACT

AUTHORIZATION FOR INCREASES IN STATUTORY FEES

Hon. J. W. Pickersgill (Secretary of State) moved for leave to introduce Bill No. 177, to amend the Patent Act.

Some hon. Members: Explain.

Mr. Pickersgill: Mr. Speaker, the sole purpose of this bill is to authorize certain increases in statutory fees provided under the Patent Act, in accordance with the policy of the government to make sure that services of this character are paid for by those to whom they are rendered, and not by the taxpayers generally.

Motion agreed to and bill read the first time.

TRADE

BRITISH-JAPANESE AGREEMENT—EFFECT ON CANADIAN INDUSTRY

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, may I be permitted to ask a question of the Minister of Trade and Commerce. Has the minister's attention been drawn to a press dispatch on the question of the British-Japanese agreement to allow Japanese goods into British and colonial markets? Can the minister tell the house what effect if any this might have upon Canadian industry, with particular reference to textiles?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I read in this morning's paper an account of the debate in the British House of Commons. I would point out, however, that the agreement in question touches only the United Kingdom and its colonies. It would have no material effect on Canada that I know of.

GRAIN

INTERIM SPRING PAYMENT—FINAL PAYMENT ON 1952 WHEAT CROP

On the orders of the day:

Mr. Irvin Studer (Swift Current-Maple Creek): Mr. Speaker, I wish to submit a question to the Minister of Trade and Commerce. In view of the possibility that there may be no additional quotas on grain announced before the opening of the great lakes shipping season, would the minister be in a position to comment on the prospects of the producers receiving an interim spring payment on the 1953 crop, and has he any further comment to make regarding the final payment on the 1952 wheat crop?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I regret that I cannot give any definite information at this time. It is my intention, the week end after next, to visit Winnipeg and confer on these matters with the wheat board and with certain officials of my own department who will accompany me. When I return from there I hope to be able to make a statement in the house; but I can say in the meantime that a payment will be made, of some sort or from some source, before next seeding.

ESKIMOS

DELIVERY OF FOOD TO PERRY RIVER

On the orders of the day:

Mr. R. R. Knight (Saskatoon): Mr. Speaker, yesterday in the absence of the Minister of Northern Affairs and National Resources I sent him notice of a question. Perhaps he can answer it today. In view of the press reports that a Royal Canadian Air Force Dakota had been held up in its attempt to bring food to a number of starving Eskimos near Perry River, can the minister give the house any information as to whether that food has yet been delivered?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, I wish to thank the hon. member for having

given me notice of his question. Perry River is an isolated community on the west of Queen Maud gulf. It is one of the more inaccessible parts of the Arctic area. It is on the mainland, but the closest R.C.M.P. post is at Cambridge Bay on Victoria island.

The report I received on Monday morning, January 25, stated that the caribou on which these people largely depend had moved out of that area during the winter, and that fish also had been comparatively scarce during the fall. The report further stated that some of the Eskimos had lost their dogs and had had to walk to the post in order to obtain food. The remaining dogs were in poor condition, and in order to save them dog feed was urgently required.

It will be noted from what I have just said that no Eskimos were starving, as the hon. member has just said in his question. Dogs, huskies, were starving. This was on Monday last, January 25, and it was the first intimation the department in Ottawa had about this situation.

The trading post at Perry River is operated by an Eskimo named Angulalik, who has a radio receiver but no transmitter. The area is patrolled twice a year by the R.C.M.P. detachment at Cambridge Bay, and it was while on his regular semi-annual patrol that Constable Ferguson became aware of this situation. Ordinarily he would have advised headquarters of "G" division of the R.C.M.P. here in Ottawa. However, in view of the urgency the constable apparently radioed the subdivision headquarters at Fort Smith. The inspector there immediately conferred with our district administrator at Fort Smith, and together they arranged with the R.C.A.F. command headquarters at Edmonton to make a plane available to take relief supplies immediately to Perry River. As a result, 2,400 pounds of buffalo meat from the buffalo slaughter at Wood Buffalo park have been sent.

As a matter of fact the R.C.A.F. plane tried to land at Perry River on Monday morning, the 25th, but could not locate the settlement. It will be realized that at this time of the year, with the exception of a few hours of twilight in the morning, it is pitch dark in the Arctic. A radio message was then broadcast on Monday last to Angulalik, asking him to light flares on the following morning. But then the plane was kept to the ground at Yellowknife because of bad weather. It was later on Tuesday that the plane could fly to Cambridge Bay, where it waited for the weather to clear, and landed later on the 27th, at Perry River, with supplies, which it unloaded.

I believe that one has to be very careful with sweeping conclusions with respect to starving Eskimos. I am informed that both the Royal Canadian Mounted Police and officers of the Department of Northern Affairs and National Resources are doing the very difficult job of patrolling these barren lands for thousands of miles. I am informed that there has been no Eskimo who has starved. A few huskies have starved, but the Eskimos went to the post of Angulalik and were fed; and as soon as we were made aware of the situation a plane was flown in with the necessary supplies for the huskies. It might be, of course, that the hon. member for Saskatoon (Mr. Knight) has got something from Farley Mowat's book. Maybe the sweeping conclusions in the book, based upon false information, are contagious.

And, by the way, I have looked into the matter of Farley Mowat's book, which was mentioned the other day by the hon. member. I have looked at the book and I have had some of the affirmations of Mr. Mowat checked. I have no time to recount everything that is said in the book, but I think that one of the stories is worth mentioning here. Mr. Mowat says at one point that there was slaughter of caribou—

Mr. Speaker: Is what the minister is now about to read directly connected with the question of the hon. member for Saskatoon? If it is not, I do not think he can proceed with that statement at this time.

Mr. Lesage: I will not insist, but there is a relation.

Mr. Speaker: It is not in order at this time.

Mr. Knight: I have had a very full and lengthy answer, but I want to ask a supplementary question. Did the report which the minister received mention any cases of sickness or death in that particular tribe before or after the food was received? Secondly, was the food that was sent fit for human consumption as well as for dogs?

Mr. Lesage: Both, Mr. Speaker, but there were no Eskimos starving. According to our information, there was no sickness and no deaths among the Eskimos themselves.

Mr. Knight: My supplementary question has not been answered. I asked whether the food that was sent in the particular cargo was fit for human consumption as well as for canine consumption.

Mr. Lesage: I have answered already, for both.

Inquiries of the Ministry

BUTTER

MEASURES TO PROTECT DAIRY INDUSTRY AGAINST OVERPRODUCTION

On the orders of the day:

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): I should like to direct a question to the Minister of Agriculture. Is he aware of representations made by the Quebec farmers' associations, and particularly by the dairy farmers' association of Canada, concerning the overproduction of butter this year? If so, are measures to be taken to protect the dairy industry?

Right Hon. J. G. Gardiner (Minister of Agriculture): I wish to thank the hon. member for having given me a copy of his question yesterday, which gave me an opportunity of checking in the department with regard to the statements which are made.

The first part of the question asked whether I was aware of representations made by the Quebec farmers' associations. My answer to that, of course, would be yes. I have had some of these representations made to me directly, and particularly by the dairy farmers' association of Canada. I have read the discussions which took place in Hamilton, and those which took place in London recently with regard to the matter. The question then goes on and says, "concerning the overproduction of butter this year", and then asks whether some measures are to be taken to protect the dairy industry. In answer to that I would say that we took the actions that we thought were necessary six years ago when we set up the system under which butter is handled in Canada at the present time.

We had in mind at that time two objectives. The first was to maintain a reasonable return to producers in the summer months. Hon. members will recall that prior to that time there was a margin of 10 cents to 12 cents a pound on butter as between the price paid in the summertime and the price at which it was sold in the winter. Therefore we took the action we did six years ago in order to overcome that difficulty; and, in the second place, to assure a reasonable cost to consumers in the winter months.

The present position is that a story is being circulated that we shall have 43 million pounds of butter on May 1 next. Well, our records do not indicate that. Our records indicate that we may have around 30 million pounds, and that is not an amount which would give any difficulties to those who are handling butter in this country, the reason being there are about 1 million people more in the country now eating butter than there were a few years ago. Therefore the amount of butter which has to be in the pipe line in order to assure distribution is somewhat greater than it was at that time.

It was then rated at about 10 million pounds. It is now found that with the wider distribution of settlement it takes something over 12 million pounds in order to keep the pipe line supplied, so that even 30 million pounds of butter is not an amount which would create any great difficulty. The chief reason why it is up 5 million or 6 million pounds above last year is that we were not able to sell any dairy cows in the United States during 1952, and the fact that those dairy cows were still here in 1953 brought about a greater production of milk, and therefore a greater production of butter last year than we otherwise would have had. But at the present time not only are we again selling dairy cows in the United States, but in 1953 we sold 40,000. In the four years before 1952 we sold 47,000, so that last year we were only 7,000 below the four years preceding 1952.

That sale of 40,000 cows into the United States has been supplemented by a very large sale of female stock for slaughter in this country during recent months, so that from now down until the end of the year we do not expect that the production will be so great as to cause any great difficulty here. We require at least 25 million pounds of butter in this country on May 1 in order to make sure that the consumer in Canada is going to be served with butter at a price which is not out of line in the winter months. In order to assure hon. members that that is true this year, butter has sold all this winter at a cent a pound wholesale lower than it did last year. It is selling this year at 61 cents a pound; it sold last year at 62 cents. This is because we have enough butter to supply the trade adequately until May 1.

Therefore the objectives which we have in mind, one, of assuring the farmer a payment on the basis of 58 cents a pound throughout the whole year, and the other of assuring the consumer that in the costly months of the winter he does not have to pay on a basis higher than 61 cents, are being achieved, and we do not think there is any necessity for changing the policy at the present time in any way whatsoever. We think it is succeeding. It has succeeded in the interests of both the producer and the consumer.

POST OFFICE DEPARTMENT

INQUIRY AS TO CLOSING OF SAVINGS BANK

On the orders of the day:

Mr. Angus MacInnis (Vancouver-Kingsway): I wish to direct a question to the Postmaster General. Is the government contemplating closing the post office savings banks? My question is occasioned by a letter which I received from a correspondent who uses the facilities of the post office savings bank and has heard a rumour to that effect.

Hon. Alcide Cote (Postmaster General): I shall be glad to communicate with my hon. friend. I shall check on the information contained in the letter. If the hon. member wishes to give me the letter I shall inquire about it.

EXTERNAL AFFAIRS

CHINA—FOREIGN REAL ESTATE FIRMS

Hon. L. B. Pearson (Secretary of State for External Affairs): On January 28 the hon. member for Esquimalt-Saanich (Mr. Pearkes) addressed a question to me regarding a reported ordinance of the Tientsin people's government, dated November 11, 1953, which is said to abolish the business of representation or management of properties of third parties by foreign real estate firms.

We have no specific information on this particular ordinance but we have received general reports on the state of foreign business in communist China. From these reports it would appear that the Peking government is moving in a direction which will make the continued operation of many foreign business concerns in mainland China so difficult that they would be compelled to withdraw. This is not surprising because western residents and western interests have been progressively ousted by the communist regime since it came to power four years ago.

The ordinance to which the hon. member referred would appear to be a local implementation in Tientsin of this general policy of the communist government.

We are making further inquiries concerning this case and I will let the hon. member know if any additional information is received.

EXTERNAL AFFAIRS

MICHAL KRYCUN—INQUIRY AS TO ACTION ON PLEA FOR POLITICAL ASYLUM

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): I should like to direct a question to the Secretary of State for External Affairs. Does the government intend to grant political asylum to Michal Krycun, one-time consul of Poland in Winnipeg? If not, would he kindly explain why not?

Hon. L. B. Pearson (Secretary of State for External Affairs): I did not receive notice of this question, which deals with a very complicated matter on which there has been a good deal of correspondence. I would be glad to communicate with the hon. member and give him all the facts involved, which I think will show him that no question of political asylum is involved.

SENATE AND HOUSE OF COMMONS

AMENDMENTS TO INCREASE SALARIES OF SPEAKERS AND DEPUTY SPEAKER, SESSIONAL ALLOWANCES OF MEMBERS, ETC.

The house resumed, from Monday, February 1, consideration of the motion of Mr. St. Laurent for the second reading of Bill No. 171, to amend the Senate and House of Commons Act.

Mr. J. W. Noseworthy (York South): Mr. Speaker, when the debate was adjourned last night I had pointed out certain reasons why I supported the increase in the sessional indemnity of members of parliament proposed in this bill. I had pointed out that in my opinion such increase was in the best interests of parliament itself. I had pointed out that in my opinion it was in the best interests of good government in this country that the House of Commons should be representative of a broad cross-section of the Canadian public.

I had pointed out that with the length of our parliamentary sessions running from six to eight months and the additional time required for work in and on behalf of our constituencies very little time was left for any hon. member to devote to his private business or profession. Furthermore I had pointed out that in my opinion it was not in the interests of good government that members of this house should be forced by economic necessity to neglect the business of this house, to shorten its sessions or to limit the number of those sessions because of the necessity of attending to their private business or profession.

Furthermore, I had pointed out that if we are to get representation from trade unions, from workers and from certain professions, those representatives must accept this as a full-time job. There just is no opportunity for certain classes of people who come here for six or eight months in the year as members of parliament to go back and participate in their former jobs or occupations.

The question comes up of course as to just what is an equitable or fair increase. I have no doubt whatever that we could find in this country 265 representatives who would come here even for $4,000. I think probably we could get 265 members to come here for as little as $3,000 if we set that as the limit. I think we could easily get 265 representatives across Canada who had never earned $3,000 a year in their lives and who would be glad to come here. But I do not think that that would make a good House of Commons.

On the other hand, I am quite confident that we could get 265 members to come here who had reached the age or degree of economic security where they were no longer dependent in any way upon the amount of sessional indemnity that would be paid. They could come here financially independent. But I do not think that that would make for a good representative parliament.

If we are to draw from a broad cross-section of the Canadian public, if we are to draw from all ranks of the Canadian public men and women who have demonstrated their abilities in their own chosen fields, then in my opinion we must be prepared to pay an indemnity that will relieve them of financial worry, that will leave them free to spend whatever time is required by public business in this house, and to devote their time and energies to the interests of their constituencies.

There are in the chamber those who have indicated that they consider the $10,000 figure too high and would like to settle for $8,000. I indicated last night that in my opinion the $10,000 indemnity is not too high. It is not out of line with the salaries that the Canadian taxpayer and Canadian consumer are paying to men and women holding positions of comparable responsibilities. I gave one example. We have only to look over the field of executives and managers in business and industry and compare their responsibilities with those of members of parliament to discover that commerce and industry pay their executives salaries of $10,000 and more.

What we are sometimes apt to forget is that every dollar paid to managers and directors of industry and commerce is paid by the Canadian consumer just as truly as if those dollars were collected in taxes. There are some of us who are inclined to differentiate between money paid to managers and directors of private enterprise and that which is paid to managers and directors and representatives of publicly-owned industries and institutions. It is the Canadian consumer who in the final analysis pays those salaries to private enterprise just as truly as it is the Canadian taxpayer and consumer who pays the indemnities of members of parliament.

The province of Ontario now pays the members of its legislative assembly $4,000 for a six-weeks session. I have heard no great uproar of public opinion in Ontario against that indemnity. If members of the Ontario legislature require $4,000 for a six-weeks session, then I submit there is every reason to believe that we in this house with a six or eight months session are entitled to at least $10,000.

Objection has been raised that the $10,000 indemnity is going to separate us from the great mass of people whom we represent. The suggestion is made that because the income level of the majority of Canadian people is below the income level that we would be in, we would thus be separated from our constituents. In my opinion the amount of income received by the individual representative is not a main or major factor in separating him from his constituents. If the people of Canada had wanted to send to Ottawa at the last general election members who came within their own income group, that is in the $2,000, $3,000 or $4,000 bracket, they had ample opportunity to do so. In nearly every constituency across this country there were C.C.F. candidates standing for office who were in the same low income bracket as the majority of those whom they sought to represent.

The Canadian public gave no demonstration of their desire to send to parliament the representatives who belonged to their own income group. I have had some experience with the Canadian voter and I have found the voter is much more interested in voting for someone who has made good in his own profession or business and who has raised himself above the general economic level of the people he is seeking to represent than he is in sending someone who belongs entirely to his own income group. I believe the idea that $10,000 in indemnities is going to cut us off from association with, interest in, or sympathy for our constituents is fear and nothing more than fear.

We have heard a great deal about the needs of old age pension recipients and those in receipt of veterans allowances, and how we should first attend to them. I hear from a great many people on old age pensions. As a matter of fact, I went through my files last night and I found something in the neighbourhood of 50 letters from old age pensioners in my own riding, all of which were written since my arrival back here on January 12.

Most of these 50 letters from old age pensioners have been addressed to me since this subject we are now discussing became publicized in our newspapers. In not one single instance has any one of them indicated in any shape or form that he considered it would be reprehensible for me to accept an increase in my indemnity until I had secured an increase in their old age pension. They asked for an increase in their pensions; they pointed out their need; but not one has suggested that my acceptance of an increase in my indemnity is going to deprive them of any increase in their pension.

If the government feel they could not increase old age pensions because they are called upon to give members of parliament and the Senate an increase in their indemnities, but could do so were such members to forgo that increase, I do not think there is a member in this house who would object to forgoing this increase until the old age pension was increased. The fact is, there is very little relation between the proposed increases in indemnities and the amount paid to old age pensioners.

Much more could be done for old age pensioners by the provincial governments of the provinces in which they live, if these governments were so inclined to consider it.

An hon. Member: Hear, hear.

Mr. Noseworthy: As a matter of fact, I am delighted to find that the government considers there are no difficulties in the way of providing us with these increases, and that there is sufficient income in the treasury for that purpose. I am sure the Minister of Finance (Mr. Abbott) would not sanction these increases for cabinet ministers, members of parliament and the Senate if he did not feel there was going to be something in the treasury for our old age pensioners and those in receipt of veterans allowances. If I thought for one moment that the acceptance of this increased indemnity would delay an increase in old age pensions or veterans allowances I would forgo that increase, and I am confident every member in this house would be willing to do the same.

Certainly, there is a crying need for increases in old age pensions and veterans allowances. One of the ways to achieve that increase is to send to this parliament men and women who will show a greater interest in these older citizens and veterans. I do not think they will get that opportunity simply by keeping us on an economic level where year in, year out, we have to borrow and go into debt in order to remain here. That, Mr. Speaker, has been my experience every year since I first came to Ottawa in 1942.

Senate and House of Commons

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, at the resolution stage of this debate I spoke, as usual, without notes and I omitted some matters which I had intended to mention with respect to members of the other place.

Our constitutional system provides for an upper and lower house, and as long as we continue to conduct the nation's affairs in that manner members of the upper house should not be, I believe, on a lower plane than members of the House of Commons. The official opposition has intimated that they do not wish to abolish the Senate. But what do they intend that we should do? Do they want to starve members of the upper house and force them out of the positions as public servants, or are they prepared to offer some constructive measure whereby these members can remain on a level similar to that of members of the House of Commons?

I do not want to be a member of this house and yet feel that I can look upon the members of the upper house with perhaps less respect than I would accord to our protective staff in this chamber. That will be the result if we do not determine that we are going to maintain a proper balance without discrimination.

There are perhaps a few matters which should be brought to the attention of the house at this time with respect to this question of increases in indemnities for members of parliament. As I said the other day, the hon. member for Simcoe North (Mr. Ferguson) was the first member of parliament in my time to broach this question of the inadequacies of the rates of pay and conditions under which members live here in Ottawa. This makes me reflect for a moment. Taking note of the debate in this house, may I say that if I were again in the position of choosing a bargaining committee I certainly would know where to go in this house; it would be to those people who believe that a man is worthy of his hire.

The hon. member for Simcoe North, speaking in the debate on May 1, 1952, had some extremely interesting comments to make relative to this matter.

Mr. Speaker: Order. The hon. member may not quote from a previous debate in the same session.

Mr. Knowles: It was not in this session; it was last year or two years ago.

Mr. Speaker: I am sorry. If it is last year, that is a different matter.

Mr. Byrne: It is 1952. Certainly the quotation is relevant. The date of the debate

is May 1, 1952. I quote from the speech of the hon. member for Simcoe North as reported at page 1774 of *Hansard* of that year:

> What can the people of Canada expect when their representatives, who are supposed to hold one of the highest offices in Canada, are shown the lack of consideration which they are receiving from this government.

He was speaking, of course, of the government in power. Then again:

> Let me say this to the members of the House of Commons. If the people of Canada want in parliament the men they need, $4,000 a year or a session is far too little to attract such men. It is far too little to bring into parliament the type of men the people of Canada need.

May I say that if ever a party needed a shot in the arm, it is the one to which the hon. member belongs. Again I quote:

> The labour unions of this country would consider it an insult to offer their leaders the stipend which is offered to the makers of the laws of this country, the men who appoint the judiciary of this country, namely $4,000 a year with $2,000 expenses.

He continues:

> I do not know of a member of parliament who does not know, when he comes here at that remuneration, that he is compelled to live in a room on the third floor of a rooming house in Ottawa.

A day or two ago, in my speech I said that a member should not be expected to live in a garret when he was in Ottawa representing his constituency. I said that I spoke without notes the other evening, but one would almost imagine that I was reading from the speech made by the hon. member for Simcoe North, whose party at this point does not seem to be anxious to make the suggestions that he then saw fit to make. I quote further from his speech:

> He cannot afford to live in proper quarters such as the Chateau Laurier unless he takes the money from his own pocket.

I now quote further from the speech; there is here also a relevant matter, Mr. Speaker, that I am leaving out, as it is not as outstanding as are these portions which I choose to quote. I quote again:

> If he is the right kind of man he knows of these responsibilities when he offers himself for election. But the members of this government, which has the people of Canada under its thumb, in the length of time they have sat in office have not been men enough to come forward and raise the salaries of the representatives of the people to an amount which is somewhere near what it ought to be.

And this is the crowning statement:

> It is a disgraceful situation.

It is infamous, I would say. I quote further:

> How can we conscientiously feel that we, as a body, are responsible for appointing judges at $8,000 a year, how can we feel responsible for the making of the laws to be administered by those judges, at this disgraceful and insulting remuneration of $4,000 a year?

[Mr. Byrne.]

If it is that bad, it is worthy of a 100 per cent increase, in my estimation. I quote again:

> Surely you are not afraid to stand on your feet and tell your constituents that you believe you are worth greater compensation for your efforts.

I pause here for a moment, Mr. Speaker, to point out that some hon. members have been called to order because they have inferred that the position taken by some of the members may have a political bias. I therefore go on to prove that the hon. member for Simcoe North had that feeling himself. He said:

> If the people do not think so, at election time they will tell you so, me included. Most of the members feel as I do, but they sit back and say, "I don't think it is good politics to mention that."

But the hon. member goes on further to say:

> I am not built that way. I am sent here to mention matters which I believe are of vital importance to the people of Canada, whether it means my defeat or my re-election. At the end of my term the voters will decide.

When making their estimates of the debate and of the manner in which we vote on this question, I hope the voters will decide as the hon. member for Simcoe North suggested they should.

Mr. F. E. Lennard (Wentworth): In rising at this time, Mr. Speaker, I do so merely in order to make my position quite clear. I am not one of those members of parliament who say one thing to their constituents and then either say or do something else when they arrive here in Ottawa. In voting against this bill at this time, I am doing so only because I do not approve of the method being adopted. I feel that the matter should have some study by a special committee before being finally decided upon. However, I want it to be distinctly understood that I approve of the principle of the bill.

Some hon. Members: Oh, oh.

Mr. Lennard: That is all right. I feel that an increase in the indemnity of members is long overdue and I speak from some experience. I feel that in this debate things have been said against this bill that never should have been said. For the benefit of the Minister of National Revenue (Mr. McCann) and some others, I wish again to emphasize that, while voting against this bill at this time because I feel it should have been approached in a different manner, I am not against increased indemnities for members.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I appreciated the last remarks of the Prime Minister (Mr. St. Laurent) when he was introducing the resolution foreshadowing this bill,

wherein he said it would be up to each member of parliament, himself or herself, to decide whether to support the resolution or to support the bills that would follow, based on the resolution.

During the last year, both in the election campaign and since then, I have endeavoured to be honest with my constituents and with myself in discussing this particular subject. I said then—and I repeat it now—that as far as I was concerned, if the indemnity was to be placed on an annual basis, there would have to be some revision upwards. I said to them—and I repeat it now—that as far as I was concerned the income of members of parliament was quite satisfactory in the last four years but that if the basis upon which that indemnity is paid should be changed and if, as a result of that change, the indemnity should drop, I for one would feel that the result would not provide an indemnity sufficient to enable the average member of parliament to give his best service to his constituents.

When the leader of this group moves in committee that the $8,000 indemnity figure be reduced to $6,000, thus making the total $8,000 instead of $10,000—I shall be pleased to support that amendment. I cannot support second reading of this bill since it provides a total pay of $10,000 to members of the other place. I believe those hon. gentlemen in the other place are receiving now a reasonable remuneration in keeping with the services they render to the people of Canada.

I should like to see a further provision dealing with absenteeism which would make it impossible for any member of the house, even though no member of the house might do it, to be absent from this house for all of a session and still collect a large part of the pay involved. I have heard speeches for this bill and against it. I doubt if there are many in this house who really believe that the pay members of parliament have received over the last four years has been too much. My opposition to this bill is based, therefore, on the provision that the pay of members shall be increased over what it has been. I do not think that is necessary. I do not think it is desirable.

A great many speeches have been made during this debate to the effect that members of parliament must have a sufficient income in order to faithfully discharge their many duties, and that the remuneration of members must be sufficient to attract outstanding men to the house. I believe that the income members have received over the last four years has been sufficient to accomplish all of these desired objectives. When I look around the house I find that there are many extremely able members, and so far as I am concerned none of them has been attracted here because of the pay. I believe, rather, they have been attracted here because they believe that by coming here they can provide a service to the people of Canada. I believe that if changes were made in this bill now to provide for members in the next four years the same pay as they received during the last four years, such a bill would pass unanimously or with very few dissenting votes.

I believe the pay members have received has been sufficient in recent years. The Prime Minister (Mr. St. Laurent) stated that the problem with which we are dealing, wherein members have to come to Ottawa for long periods and have not too much time to spend in their regular professions, must be dealt with in two ways. The first way, he said, would be by shortening the length of the sessions, and the second way by increasing the sessional indemnity of members to $8,000. I say that if we are successful in reducing the length of the sessions—and I believe that is what the committee which has been set up will likely accomplish—then an increase to $10,000 becomes that much less necessary. I have worked out on a monthly basis what $10,000 will mean. Of course the whole sum is not to be paid on a monthly basis but for the purpose of this calculation I have assumed that it is. A married man would then receive $713 per month after having paid all his income taxes and his deductions to the pension fund. I believe that $713 per month is a very large sum of money, an unnecessarily large sum of money.

On the other hand, if the indemnity were made $6,000, along with the expense allowance of $2,000, for a married man that would work out at $583 per month after income tax and pension fund deductions. Speaking for myself, I believe members of parliament can get along on approximately $583 per month, as in recent years. I believe they could provide reasonable and suitable housing accommodation for their families in Ottawa, then could go back to their constituents for the remaining six months and perform a reasonable job for their constituents. I feel that $10,000 total pay for members is unnecessary. It has been said by some that if you put members in the $10,000 category, they will begin to think differently and they may lose, at least to some extent, contact with

their constituents. It is said that will condition their thinking and make them look at problems in a different light.

This may or may not be true. I rather doubt that it would change the opinion or attitude of most members of parliament. I do believe, however, that if you pay members a very high salary you will change the attitude of the electors to their representatives. The people whom the member represents will believe that there is such a disparity between incomes, they will feel far removed from their representative, and that will make it more difficult for the member to perform the functions of a representative.

The Prime Minister pointed out that the sessional indemnity has not been altered since 1920. He went on to say that rising costs since that time made an upward adjustment necessary, and this is the upward adjustment the government felt was necessary. If you look at the cost of living back in 1920, you will find the consumer price index for Canada stood at 90·5; for 1953 the cost of living index stood at 116. In other words, there has been a 29 per cent increase in the cost of living since 1920, when the last increase in the sessional indemnity took place. I honestly feel that a 100 per cent increase in the indemnity at this time is too much. When I consider that there is a $2,000 tax-free allowance included in the $10,000, which means an increase of 150 per cent over 1920, I feel that the provisions of this bill are not at all necessary.

I naturally think of the position of my constituents in the agricultural industry. I have calculated the index for farm products in 1920 at 254; that was the level of farm prices. During 1953, and today, the level of farm prices has been well under that of 1920. According to the official statistics of the dominion bureau of statistics, the agricultural industry is in a worse position now than it was in 1920, yet members of parliament are to be put in a much better position by a 150 per cent increase in their remuneration.

As I have said, I believe the pay members of parliament have been receiving for the last few years is sufficient. Members would on that basis receive $583 a month take-home pay. The Prime Minister (Mr. St. Laurent) has said an effort will be made to shorten hours, and that would make the burden of members of parliament somewhat less. And if a representative in the House of Commons is elected three times, he can retire then at the end of eight years on a pension of $120 a month for life. Not all members will qualify for pension. But if after having received $583 a month, on the basis of our income for the last four years, a member is defeated in an election, he will have a nest egg in the pension fund which will permit him to withdraw $960. If he is here for two parliaments and is then defeated, that nest egg will amount to $1,920.

I submit that if the pay of members of parliament is to be placed on an annual basis it should be on a basis which will not reduce the income of those members as compared with the level in the last preceding parliament.

I hope the government will reconsider the measure, and will take steps to reduce the amount of the indemnity in line with the suggestion made by the hon. member for Rosetown-Biggar (Mr. Coldwell).

Mr. Hector Dupuis (St. Mary): Mr. Speaker, I rise on a question of privilege. The hon. member for Notre Dame de Grace (Mr. Hamilton) said that I made an erroneous statement yesterday concerning him. I must say that the hon. member has not taken much trouble to read what I said at that time with respect to the councillors in the city of Montreal.

What I said yesterday appears at page 1662 of *Hansard*, and it is in these words:

> All three different classes of councillors are given the same treatment. However, the class C councillors are not elected by the people, but are named to council by their own organizations. In the class C group, if one is a member of the executive committee he will receive $7,000 a year, just the same as any other member of the executive who must be elected. Indeed, we find that the hon. member for Notre Dame de Grace (Mr. Hamilton) is in class C, in the city of Montreal; and as such he is paid the same amount that is paid to the members who are elected by the people.

As anyone can see, I never said that the hon. member for Notre Dame de Grace was a member of the Montreal city executive, and hence receiving $7,000 a year. I note that the hon. member is not a member of the city executive in Montreal, and I never said the contrary. I know also that his pay is $1,500 per annum and no more. I hope that in future the hon. member for Notre Dame de Grace will read my remarks in this chamber more carefully, and avoid rising on questions of privilege when there is no ground for that procedure.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, yesterday while speaking to Bill No. 171 the hon. member for Peace River (Mr. Low), leader of the Social Credit group, made two or three statements to which I think I should make reference at this time.

In the first place he stressed the fact that it was his conviction this issue is not one of

a party character. Certainly I agree with that. I think it should be considered in any other sense but a party sense. He stressed the fact also that the issue is one upon which every member should take his own stand. I agree absolutely; and I trust that when the vote is called each and every member of the House of Commons will stay in the house and take his stand. I trust we shall not have to witness a rush of humans to the lobbies.

Certainly I am fully prepared to take my stand. I listened with a great deal of interest to the observations of the hon. member for Assiniboia (Mr. Argue). I was rather surprised to hear him use the expression "take-home pay" in such a loose fashion. After all, his party claims to have the ear of labour. Certainly no member of a labour organization would make the declaration that a member of parliament would have take-home pay of $583 a month. Certainly my hon. friend took into account the income tax, and he took into account the deductions under the members' retirement plan. But certainly he gave every evidence of having ignored such things as driving one's automobile 15,000 or 20,000 miles every year, and not being able to allow depreciation, or one cent of cost of operation, when filing income tax returns.

Certainly, he did not take into consideration the cost of remaining in Ottawa for as many as eight or nine months in a given year—and some of us have done this for the past fourteen years. Certainly he did not take into account at the same time the cost of maintaining a home and one's family elsewhere. Certainly, sir, there were a number of other things, too, which were not taken into account.

I challenge the statement that there has been any such sum, or any sum even remotely resembling $583 a month. Some of us have been here for quite some time. Although I have been a member for only fourteen years, I believe this is my nineteenth session of parliament; and I have had sufficient experience during that time to talk with some slight degree of authority.

Secondly, I find myself exasperated when I pick up newspaper after newspaper and see reference made to a proposed indemnity of $10,000. Certainly it is not that, and it will not be that, even if this bill is given approval. It is an indemnity of $8,000. As all members know, we are not allowed to make any deductions because of being away from home when, necessarily, we are away. We cannot make deductions on that account, as do the railwaymen and many other groups of employees. My understanding is that the $2,000 is to compensate in part—and it compensates only in part—for our being away during those weeks and months, not only during sessions of parliament but during the twelve months of the year.

I become exasperated when I read, too, the inferences left for the public to draw, that once a session of parliament is prorogued the members have finished their work until the next session begins. Anyone who has done his duty as a member, and certainly anyone who has had experience in parliament, realizes the fallaciousness of that argument.

This position is becoming more and more demanding all the time. Not only is it more demanding on one's time, but it is also more demanding on one's finances. And when one leaves this House of Commons at the end of a session it is to just take up another phase of his work, which costs him money, which requires a great deal of time and involves, I would go so far as to say, innumerable headaches.

While the hon. member for Peace River (Mr. Low) made it perfectly clear that he was expressing his own views, I can assure him that he expressed mine, and I can also assure him that it is my conviction he expressed the views of the majority of the members of this House of Commons. I have listened with a good deal of interest to the arguments which have been advanced in opposition to Bill No. 171. I can do no other than characterize a good number of those arguments as being utterly fantastic.

It annoys me, Mr. Speaker, no end to have some hon. members create the impression—I do not know whether it is by design or otherwise; I am probably not competent to judge—that the passage of this bill will take something away from old age pensioners, or that it will take something away from our war veterans. That is utter nonsense. Not only is it untrue that it takes something away, but it is equally untrue that it would prevent them from securing more in the days to come.

Last week the hon. member for Macleod (Mr. Hansell) made it abundantly clear that if he felt that by supporting this measure it would prevent our securing more for our old age pensioners or for our war veterans allowance recipients, then he would oppose it. Well, I am sure that we would all oppose it. In this connection I was rather surprised to see an extract or two from the Vancouver *Province*. On January 28, on the front page

of the Vancouver *Province*, under the heading "C.C.F. plans battle on old age pensions", it stated:

> Several members referred to pensioners during the debate on parliamentary indemnities, but took the attitude, directly or indirectly, that whether or not M.P.'s salaries were increased it would be economically impossible to boost pensions.
>
> E. G. Hansell (Social Credit, Macleod) for instance, said he was sure that if it were a question of raising M.P.'s salaries or pensions that "every hon. member would say, by all means increase the old age pensions and war veterans' allowances."

Yet on the editorial page of that same issue, Mr. Speaker, reference is made to the hon. member for Vancouver-Kingsway (Mr. MacInnis) and he is quoted in this way:

> He would not support any increase—

Incidentally, this is not a verbatim quotation; only part of it is verbatim. I continue:

> He would not support any increase until parliament "made some attempt at raising the incomes of the poor people of this rich country."

Here is what the editorial goes on to say:

> He was the one member who spoke up for the old age pensioners.

How an editor of a paper could write such an editorial in the light of the news item which appeared on the front page of the same issue is more than I can understand. I criticize and condemn any attempt on the part of any newspaper to try to create the impression that there are certain members in this House of Commons who would take an increase in indemnity, knowing that our pensioners and our war veterans would suffer as a consequence.

As I say, I condemn any attempt of that kind. I repeat my conviction, and I think it is the conviction of most of us here, that adequate compensation to members of the House of Commons takes nothing away from these people or from other people whom I have mentioned. It will not lessen in any sense whatsoever our will and our determination to press for more adequate compensation for those groups of people. In fact, this could easily provide means for more concerted pressure on behalf of those people. If this argument that has been advanced, this argument that I have condemned, has any merit, then we would not be justified as a House of Commons in making any move whatever on behalf of any group of people in this country until we were prepared to act similarly on behalf of all people countrywide. We would not be justified under any guaranteed floor price set-up to pay any producer of this country a cent more than he is getting simply because, if what is said is true, it would be most unfair to all other groups within the country. It is a fantastic argument.

I was amazed also to hear it said in this house that adequate compensation for members of parliament would separate us from the people whom we represent. Whoever makes a declaration of that kind is the very one who would say, if put under pressure: "It will separate you, but it will not separate me." I believe under pressure that is what would be said. I am amazed that any hon. member in this house would state that adequate compensation could offer the least threat of separating him from his people. I am amazed also at the suggestion that that hon. member's relationship with his constituency is governed by dollars and cents. I would suggest that such a declaration does in effect condemn all those members of parliament who had, when they came into this house, means which might have set them economically above some of the people in the country; but I would not be a party to any such condemnation, because I have known members of parliament of this house too well and too long to make any such assertion.

If any member of parliament, by virtue of the fact that he receives adequate compensation, is separated from his constituents as a consequence thereof, then I am certain that when the next election comes along the electors will take care of him. I doubt whether it is a matter that we should concern ourselves with. It has no validity in fact.

I have heard references to letters, Mr. Speaker. One would almost conclude that half a dozen letters represents the general opinion of probably 50,000 people in a constituency or 14 million people across this country. Probably I am as close to the people whom I represent as are other hon. members. I have not received a single solitary letter condemning members of parliament for accepting this contemplated increase, not one single solitary letter, and I know there are over 50,000 people in my constituency. In fact, the only references that have been made to it have been made just as an aside in another letter, and in every case they have expressed gratification that we were going to be adequately compensated, Mr. Speaker.

I am one of those persons who have never hesitated to keep their electors informed with respect to their financial problems, and probably because of the fact that I have kept them informed they see this thing in the light in which it should be seen. In glancing at newspaper editorials I have noticed general agreement with the idea of adequately compensated members of parliament. In fact I have seen the figure of $10,000 at the head of more than one editorial.

One or two ideas have been expressed. One was relative to the other house and others were relative to the $2,000 tax-free allowance. However, by and large the newspaper editorials have supported the type of compensation for members of parliament envisaged in the bill now before us. In fact, I am absolutely convinced that it meets with the approval of the majority of the people from coast to coast.

Someone referred to a Gallup poll. If I could take a Gallup poll and make sure that I "galluped" the right people I could probably get a majority of them to agree that the indemnity should be cut by 50 per cent. I do not put too much stock in that kind of so-called evidence.

I have no desire to take up too much time but I was interested in some of the observations of the hon. member for York South (Mr. Noseworthy). It so happens that he and I were members of the same profession. It also happens that this is one of those cases where when you are chosen as a member of parliament you must give up the work you are doing. How in the world could one carry on as a school teacher when the house from time to time is in session from September to December and from late January until June? It would be utterly fantastic.

It is not up to this House of Commons to say whether I should or should not devote all my time to my work as a member of parliament. That is up to the electors in my constituency to decide. During each of the last four elections I have told them that there was one thing they could be certain of: that if I were elected I intended to devote my full time to what I considered to be a full-time job. They made their decision as to whether I should be their member of parliament or whether somebody else should be their member. I am not saying that they made their decision entirely on that basis, but certainly they have come to realize that it is a twelve-month job. Even if someone is in another type of profession or occupation or business and is able to carry on, the fact is that some of them certainly have not been able to do so completely. In fact, some have been ruined as a consequence of having served as members of parliament. They have been ruined as far as their private businesses are concerned. It is too much of a sacrifice even for those who are desirous of making sacrifices to be called upon to make.

I have heard a great deal of reference to this figure of $8,000 as an indemnity. I agree with the hon. member for Peace River and am absolutely confident that the government and the treasury board did not say "eeny, meeny, miny, mo" and pick a figure out of some hat. They must have given long and earnest consideration to this. It is the easiest thing in the world to say that $8,000 is too much and that $6,000 is enough. It is easy enough to say a good many of the things that have been said here, but I do not intend to be swayed too much by that kind of argument.

I am confident that the people I represent desire that a job should be done by their member. They are willing to pay what is required in order that that job might be done in the way they want it done. I have no hesitation whatsoever in saying to this House of Commons that the proposal contained in this bill represents nothing more than what to me appears adequate at this time under current conditions. We do not live in anything but a moderate fashion.

I say without hesitation that it is most difficult for a member of parliament who is called upon to do certain things on behalf of the people he represents to find that he must curtail his activities on their behalf because he simply has not the money to do it or because he realizes that he would have to go into debt to do it. I would have no hesitation in opening my financial accounts to the membership of this house after having been a member for fourteen years. I am not ashamed of them, because I think they would be a reflection of the conditions which have faced a good many members of this house.

I notice that it is not only here that these matters are being considered. Provincial governments have considered this matter from time to time and have made adjustments in the indemnities payable to their members. It has already been pointed out that in one province at least they receive more than we do now in the way of actual indemnity and that in the province in which we find ourselves now they receive an equal amount.

I am not complaining about that, but I do contend that there is something wrong in the relationship that exists between the two. For example, I find that in some provinces they are considering paying pensions to their cabinet ministers. I am not criticizing that. I have a Canadian Press clipping here which appeared in a local paper on Saturday which states:

> A plan to provide pensions to Saskatchewan cabinet members may be considered by the government before the legislature opens February 11, it was reported Friday. Only one provincial government, Nova Scotia, now has a pension plan for cabinet members.

I am not criticizing that; in fact I would be the first one to say that when a man has

served in a provincial cabinet for a period of years, when he gives his full time to that service, he should receive a pension. I simply remind the house that these matters are being considered, even pensions for cabinet ministers, by certain provinces, Saskatchewan in particular. I do not refer to this in any critical way because I believe it should be done in every province across Canada.

Mr. Coldwell: I agree with that.

Mr. Shaw: Having said that, perhaps I have said enough. I think I have given the house a pretty clear picture of where I stand. I have not asked my colleagues, but I think if I took a vote right now I would have them with me on this matter.

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, I should like to put my position briefly on the record. I believe the house should feel indebted to the hon. member who has just spoken for answering the rather specious argument which has been made with regard to the $583 take-home pay by the hon. member for Assiniboia (Mr. Argue). If I had not had any previous experience about members' remuneration, or if I knew nothing about it, I would gather from the hon. member for Assiniboia that he had no expenses at all at home or elsewhere. I would gather that he was making no coverage whatsoever of his riding.

I would assume also from his speech that all ridings in Canada are alike and that the expenses in connection with one are the same as the expenses in connection with all others. Let me say to him that there would be a difference of at least $3,000 a year between providing an adequate coverage for his riding and for my own.

My riding is one of the largest in Canada, occupying as it does a geographical position in the northern part of Saskatchewan. It covers 40 per cent of the physical area of that province. The people are scattered in many remote areas. Some hon. members might say that they did not need to see their member, that they did not need the same service as other people; but that is not my attitude toward my constituents. I feel that the person in the most remote part of my constituency is entitled to see me at least once a year. That is what has always happened as far as I am concerned, and that is what is going to continue to happen—he is going to see me at least once a year.

Ninety per cent of the area of my riding must be covered by plane. As hon. members know, we are away from here for only a few months in the summer and that means that it must be covered by pontoon-equipped planes. It costs a minimum of $35 an hour for such a plane to fly a short distance, and if you require to fly in the northern areas a plane will cost $70 an hour. I do not want to say to members of this house that you pay for every hour you have a plane. You do it in terms of flying hours and, depending on the type of plane, they have a minimum which they charge per day. To adequately cover my own riding, and it takes from ten to twelve days to cover the remote parts, on the basis of $50 an hour on an average, it costs $3,000 a year to cover the northern area.

I do not believe my constituents are going to suggest they do not want that service, and I do not think they are going to suggest that I pay for it. They do know that in the past I paid a portion of it, and I was able to do so out of the conduct of my own business.

I take the same stand as the hon. member for York South (Mr. Noseworthy), who I think did a very remarkable job in this debate in telling the house and the people of Canada that he is actually worse off by being a member of this house, and that he would be far better off in his profession of teaching where he would get a higher salary. I think the argument that we are getting $10,000 does not hold. Even if we made $25,000 it would not make any more difference, if our expenses ran to $20,000, than if we received a salary of $10,000, and the expenses ran to $5,000. The net result is the same.

It is rather odd to find the hon. member for Assiniboia (Mr. Argue) stating that we have take-home pay of $583 a month. No such pay is obtainable or will be obtainable even if we get $10,000 a year.

I made my position clear in my own riding on many occasions before I ever came down here in 1949, and certainly in this last election campaign. I said then that this very situation might arise, and that definitely I was going to support higher pay for members. In Ottawa here, I am 2,100 miles from home. I found it impossible to continue the business that I carried on until a year ago, and I had to dispose of it. In that position, I am like the hon. member for York South, and the hon. member for Red Deer (Mr. Shaw), who has just spoken.

I believe this is a full-time job as far as giving full representation to the people we represent is concerned. I have so told my constituents, and I have been elected twice on that very ground, or at least that was part of the reason people voted for me at that time. Certainly I did not hide the light under

a bushel. I made it plain to them I would cover all parts of the riding and would regard the job as a full-time job.

If, as an uninitiated member, I accepted the remarks of the hon. member for Assiniboia I would conclude that as soon as the house rose I would be immediately free to go on holidays. That is not the case. That is when I do my travelling in my own riding, and during that time I cover no less than 20,000 miles. The hon. member for Red Deer mentioned his car and the depreciation on it. I do not believe our constituents expect us to pay these expenses, because we would not travel these distances if we were not members.

The C.C.F. government in the province of Saskatchewan saw fit to raise the pay of provincial members. I have no argument with that. I do not believe they are overpaid. But my own constituency covers the major part of five provincial ridings. They cover that area with provincial members at a cost of $15,000 a year; yet I understand that they sit for only six weeks in the year. Certainly some of them give additional time to covering their own areas, but there is no comparison whatsoever with our position.

If you consider our $10,000 a year on the basis of what the hon. member for Assiniboia said, you earn it during the time here and then you are off on holidays. These provincial members receive $15,000 a year and work for a period of six weeks. We are here seven or eight months, and we will receive $10,000 if the house passes this proposed increase.

I think these remarks set forth my position. Even with the increases now forecast I would definitely be better off in the business I previously had, as far as actual money left over is concerned. I have pointed out that it takes about $3,000 per year for plane travel in my riding. There is at least another $1,000 to cover travel and depreciation on a motor vehicle. The Minister of National Revenue is interested in another couple of thousand dollars, and various other organizations in my riding are interested in small portions which I am pleased to give. If I have a minimum of about $3,500 of actual take-home pay I think I am doing fairly well.

The $10,000 does not mean anything at all. I am interested only in the $3,500, and I would suggest that on the basis of the pay we have been getting here and the services we give to the people of Canada, most of us are making great sacrifices in order to carry out our duties. Certainly I am prepared to go back to the people of the constituency of Meadow Lake and put it to them as to whether they think $10,000 a year is too much for me, and whether they believe I am telling the truth in outlining my expenses as far as they are concerned. If they do not think so, and if they believe the services I render are not adequate for the money expended, I have no doubt they will dispose of me in the usual and traditional manner.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I wish to deal with one or two points in connection with this bill. As a new member I would not presume to pass any opinion on how much it costs members to stay here and survive, but I think we have heard obviously sincere speeches in this house on this question, even from the members of the group opposite me.

We had one obviously sincere speech from the veteran member for Vancouver-Kingsway (Mr. MacInnis), who had his own ideas. I thought the most effective speech I heard in the whole debate was that from the hon. member for Cape Breton South (Mr. Gillis), who told a calm unvarnished tale of just what happens to a private member without any backing when he comes into this house.

I will say very frankly that I might have had some reservations about this bill, but they vanished yesterday when it was made very clear that the increased indemnity did not include any increase in members' pensions. Beyond that, I find myself in complete agreement with the principle of this bill. I think that anyone in an executive position on a newspaper, in any business, or in any job in this Dominion of Canada who was asked to rate members' duties and responsibilities in comparison with any similar responsibilities in Canada would say that an indemnity of $8,000 a year was not too much.

While I myself during the course of my life have occasionally taken a crack or two at the place sometimes referred to in this chamber as "the other place", let me say that I for one have no sympathy whatever with the argument I heard within the past few days that since we are going to have the other place we should somehow or other starve them into slow disappearance or strangulation so that perhaps, as in the kids' game, "let the old cat die out".

I believe, on the contrary, the upper chamber is an integral part of this parliament of Canada, and the question is: Do we want our House of Commons to be an efficient and effective organization to serve the people of Canada, and do we want the Senate or upper chamber to be an effective instrument to serve the people of Canada? I would submit just one question, Mr. Speaker, and it is this.

Would it contribute to a strong Senate or a weaker Senate if we were to leave the Senate indemnity as it is and raise the House of Commons indemnity 100 per cent?

I think the answer is self-evident. I rise, however, to speak in this debate on one simple point. If I were asked to vote for or against this bill on the ground of whether or not the old age pensioners and those on war veterans allowance were or were not going to get a better deal, then I would certainly stand with those on war veterans allowance and the old age pensioners. As the hon. member for Macleod (Mr. Hansell) said the other day, if that were the only choice in this house, we would get a 100 per cent vote on that question. If I were asked to name the one thing which I think would be most desirable in this Canada of ours, in order to make it a happier and more prosperous place for all of us, at the head of the list I personally would place more generous allowances for those on war veterans allowance and on old age pensions.

Here in my hand I have clippings from all three Vancouver newspapers of all different stripes of politics. I assure you, Mr. Speaker, that I do not intend to read them at any length. By and large, over a period of months, all three papers of all political stripes have urged the necessity for having the indemnity of members of parliament fixed at a level which will assure the perpetuation of this House of Commons on an efficient basis. I find that all three papers in Vancouver now take much the same line. All of them take the same line. They say that if it is true that our members of parliament require more of indemnity, they should be more receptive to the arguments about the people who are in a much more desperate plight than is anyone in this house, namely the people who are trying to eke out an existence on $40 a month and are living in a state of almost slow or semi-starvation. One paper asks:

> How can our members of parliament now in the act of practically doubling their own pay justify their neglect of the pensioners in their present plight?

That is the Vancouver *News-Herald*. The Vancouver *Province*, which sometimes supports the Conservative party, says: "M.P.'s should remember O.A.P.'s", and the editorial ends up in this way:

> The M.P.'s generous stipend and the pensioners' pittance come from the same purse. Why is one so handsome? Why is the other so mean?

The paper which writes the most intelligent comment of all, namely the Vancouver *Sun*, in a very lucid editorial says that there should be a streamlining of all the welfare payments in Canada, that we should have a dominion-provincial conference to get some kind of order and to tidy up the loose ends of all these things like assistance grants, war veterans allowances, pensions for the blind; and it goes on to show the wide discrepancy there is between the various groups. The editorial is headed "Equalize Payments to Needy, Then Increase Them All".

My point is quite simple, Mr. Speaker. In this vote we are not called on to vote either for a modest and, I think, reasonable increase in the indemnity for members of parliament as against and as a substitute for a more generous outlook towards old age pensions and war veterans allowances. On the contrary, we are asked to decide a very simple question: Is the member of parliament worthy of an indemnity which enables him to stay here and to survive? When the majority of this house votes a decisive yes, I submit that by that decisive yes vote they are establishing a principle that if the member of parliament is worthy of a survival indemnity, then that same principle applies to all other elements in Canada, this great country of ours; and instead of its being a less generous outlook toward old age pensioners and those on war veterans allowance, I submit it is an indication of better things to come as soon as this country can afford it.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I am not going to take long. In fact, my remarks will be concluded within five minutes. Most members from British Columbia have spoken, and the hon. member for Vancouver-Kingsway (Mr. MacInnis), in his usual honest manner, has made his stand. Because I am a Liberal member from British Columbia who represents more C.C.F. supporters than does anyone else on this side of the house, I think I too should take my stand because there will be some discussion at home with regard to this matter.

I think the honest point of view with regard to a member of parliament is that he should say what he has to say here and nowhere else. I am going to support this bill, and I am going to do so on one premise perhaps more than on any other. In his speech yesterday the Prime Minister (Mr. St. Laurent) brought to the attention of this house the dignity of a member of parliament; and in doing that he did not refer to the dignity of a member of parliament only during a session of parliament but rather to the dignity of a member of parliament for twelve months of the year. My riding demands a twelve-month service. Not only am I serving here but when I go home I have an office in my home to which anyone can come at any

time and tell me his problems. As I understand it, the method of payment under this bill will be one by which we shall secure the money every thirty days. I think that is only right and proper.

One other thing I wish to mention is the fact that some members of the C.C.F. party—as represented by the speech of the leader of the party who, I am glad to see, is in the house at the moment—tell me that they are going to support a $2,000 increase. I wonder how much the viewpoint of the leader of the C.C.F. is reflected in that $2,000 increase. I believe that this matter has been considered by their caucus or by some meeting and that this is a compromise between consciences. I point out to you, Mr. Speaker, that there has been no denial from the party when I said that. I quite understand the position.

Mr. Coldwell: Mr. Speaker, I am not going to comment on a supposition or rumours as to what occurred in our party. It would not be proper for me to do so any more than it would be proper for a member of the Liberal party to comment on any discussion they have within their party.

Mr. Castleden: Maybe this bill is a compromise.

Mr. Goode: Then may I say it is a compromise of the C.C.F. consciences in the house.

Mr. Castleden: I think the bill is a Liberal compromise.

Mr. Goode: That may be. Not only do I believe that this bill ought to be supported by every member of the house, but I believe it will be supported by my people at home. I make no apologies for voting for it. I think a good member of parliament is worth this kind of money, just as any executive is worth this kind of money. I will vote for the bill when the question is put.

Mr. Speaker: Is the house ready for the question?

Mr. M. J. Coldwell (Rosetown-Biggar): Before the question is put, Mr. Speaker, I should like to say one word. Once again I think there has been a considerable amount of confusion with regard to this matter. When the division is called and we are voting, what are we voting on? We are voting on the principle of the bill. We are not voting on the details of that bill. There may be disagreement among us with regard to the details, but are we or are we not in favour of a principle, namely, shall the indemnities of members of parliament be increased?

I have no hesitation in saying that I am going to vote for the principle of this bill. I have felt—and I have said so for a good many years—that members of parliament whom I have known in this house have made personal sacrifices that should not be expected of members of parliament who represent any constituencies in Canada.

A great deal has been said about what is being said in the country, and so on and so forth. I am going to say this. Yesterday, by fortuitous circumstance, I saw in the gallery an outstanding farmer who lives just across the border of my constituency. I saw him listening intently to the debate all afternoon. I went up into the gallery about half past five and asked him what he thought about this. He said, "Well, it is about time members of parliament had something of this sort done for them." Last evening I met two other outstanding farmers from my province, one of them from my own constituency. They occupy important positions in the agricultural organizations of which they are members. I asked them the same question, and I got precisely the same answer.

I know that, so far as the executive in my own constituency are concerned, they know exactly what membership in this house involves. They know that the proposal to increase indemnities is warranted by the circumstances under which we have operated in this house. I have no hesitation in voting for the principle of this bill. As I said in my address the other day, I am not in agreement with some of the details of this bill and I shall say so when the time comes. This is not the time. If any hon. member in this house believes that the indemnity should be increased, that hon. member should rise in his place and support the bill. My hon. friends of the official opposition say they are going to oppose this bill.

Last Friday evening we had before us a motion for second reading of a bill in connection with the housing act. There was bitter opposition to the details of that bill from this side of the house. When the vote was called all of us on this side of the house, with two exceptions, voted for that bill. We did not vote for the details of the bill. I did not like some of the details. I rose in my place and voted for that bill because I believed in the principle of the bill.

I say to my hon. friends that exactly the same situation faces the house at this moment. If we are going to vote we shall vote for the principle and not the details, just as last Friday evening when members who had bitterly criticized the housing bill rose in their places and supported the principle of that bill. Members of this house who believe, as I think most hon. members do believe,

that there should be an increase in this indemnity should get up and show where they stand by voting for the bill.

Mr. Carl O. Nickle (Calgary South): I should like briefly to put my personal position on the record, Mr. Speaker, with regard to this matter. First of all I may say, sir, that I support the general objective of this bill, that objective being to so improve the financial aspect of service in this parliament that the government of Canada may be served better by attracting men of talent across this nation to serve in parliament. However, I am voting against this bill because I disagree with the method, and I do not like the contents of the act as it will stand if this bill is passed in its present form.

Before listing three of the objections I have, may I say that as a comparative newcomer to this house with service of something over a year at the time of the last general election, I had to make a decision as to whether or not I could afford to continue in parliament should it be the desire of the people of Calgary South to re-elect me. After a fairly careful study of the situation I found that during my first term in parliament I was a subsidized member. I was subsidized by myself and by my business to the extent that for every single dollar I drew as a member of parliament I had to take from my personal assets or my business more than $3.

In the light of those circumstances I feel quite firm in my conviction that the present indemnity is far from adequate. I do not think any of us in this house should be required to draw heavily upon our personal resources, nor should we be forced into the position of having our business subsidize us in our service to the public of Canada.

However, sir, I come now to the three points which I feel would be wrong in the Senate and House of Commons Act should this particular bill pass in its present form. My first objection is to the tax-free expense allowance. I believe, sir, that all payments received by members of parliament should be taxable income. I believe that our earnings as members should be treated in exactly the same way as the earnings of other citizens in this country. I believe there should be provision for a deduction from income tax for a member's legitimate expenses in carrying out his duties.

Then, sir, I do not like the loose rules covering attendance. I believe that in any general revision of the Senate and House of Commons Act steps should be taken to tighten up the rules which are now honoured in some degree more in the breach than in the observance. I might say that I have been absent on a number of occasions during my two years in Ottawa. I have not yet drawn a full sessional indemnity. In my own rather strict interpretation of these rules I have believed that my time devoted to travel back home on matters not entirely related to my work as a member is time for which I should not charge the public of Canada. This is one phase of the subsidy which my business pays toward keeping me here.

Finally, sir, I do not believe that, despite the many fine men who have served and are still serving in the Senate, the duties and functions of the Senate justify treating the members on the same financial basis as the members of the House of Commons.

With these objections in mind, sir, I trust the government will reconsider its decision and withdraw this bill for further, independent study to determine what complete and detailed amendments to the Senate and House of Commons Act might best be submitted to this parliament in order to achieve, on a sounder basis, the general objectives involved in Bill No. 171.

Mr. St. Laurent: Mr. Speaker—

Mr. Speaker: If the Prime Minister (Mr. St. Laurent) speaks now he will close the debate.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I shall be very brief, because much of what I intended to say was said a few minutes ago by the hon. member for Rosetown-Biggar (Mr. Coldwell).

We are considering a motion for the second reading of this bill, when it is the principle of the bill that is submitted for approval or disapproval, and when it does not mean that those who vote for the bill are voting for everything the bill contains. As the hon. member for Rosetown-Biggar clearly indicated, that was illustrated in the conduct of hon. members in this house no longer ago than last week when after, I think, four days of critical debate of the contents of the housing bill, one amending the housing act and making further provision to encourage housing, that bill was approved by the vote of all but two members of the house. It was a vote in which not all those who had spoken took part; but very many of those who had been critical of the bill did vote in favour of second reading.

That is the situation here. A vote for the second reading of the bill will be a vote to confirm a principle that many have declared their intention of voting against, although one they agree with, namely that there should be some increase, some revision upward of the indemnity of members of this house. One

would gather from the tone in which they expressed their intention to vote negatively on second reading that, notwithstanding, they do expect that second reading will be passed, and that their vote will not mean the end of the bill.

There is one other point that I do wish to mention again. Our constitutional system being what it is, the government felt it should not come to parliament recommending a bill that would provide for a more substantial indemnity for members of this house than for members of the other house. It is quite true that in all the reasons we have given in attempting to justify an increase in the indemnities or allowances of members of this house, we have given reasons that apply to members of this house and do not apply to the same extent—I am free to confess it—to members of the other house.

This bill, if and when it is passed by this house, will go to the other house; and if the members of the other house were themselves to say that, taking into consideration the reasons that motivated the increase here, and the fact that many of them do not apply to their situation, they would not feel it proper to have the same indemnity provided for them, I am sure if it came back in that shape to this house, this house would agree.

But I am not asking this house, nor am I suggesting that this house should take the position, that it will not agree to a similar indemnity being provided for all members of parliament. And members of the other house are members of parliament, just as we are. I am not suggesting that this house would not agree to their being treated in the same way.

Now, that is the situation. I repeat that I am not asking any member of this house, on whichever side he may sit, to vote yes on this motion because I make the motion and because the government recommends this bill. Again I think it is the responsibility of each one of us to express his own honest conviction as to whether or not there should be an increase.

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

YEAS

Messrs:

Abbott
Anderson
Applewhaite
Ashbourne
Barnett
Batten
Benidickson
Bennett (Grey North)
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Bourget
Bourque
Breton
Brown (Brantford)
Brown (Essex West)
Buchanan
Byrne
Cameron (High Park)
Campbell
Campney
Cannon
Cardin
Caron
Carter
Cauchon
Chevrier
Claxton
Cloutier
Coldwell
Conacher
Cote
Crestohl
Croll
Dechene
Denis
Deschatelets
Deslieres
Dumas
Dupuis
Enfield
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gillis
Gingues
Girard
Goode
Gour (Russell)
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Gaspe)
Lapointe
Leboe
Leduc
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Masse
Meunier
Monette
Murphy (Westmorland)
Nixon
Noseworthy
Patterson
Pearson
Philpott
Pickersgill
Pommer
Poulin
Pouliot
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Regier
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Roy
St. Laurent
Schneider
Shaw
Shipley, Mrs.
Simmons
Sinclair
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Viau
Weaver
Weir
Weselak
White (Waterloo South)
Winch
Wood
Wylie
Yuill—155.

NAYS

Messrs:

Aitken, Miss
Argue
Bell
Blair
Brooks
Bryson
Cameron (Nanaimo)
Cardiff
Casselman
Castleden
Diefenbaker
Drew

Dufresne	Mitchell (London)
Ellis	Monteith
Fairclough, Mrs.	Murphy (Lambton West)
Fulton	Nesbitt
Green	Nicholson
Hees	Nickle
Howe (Wellington-Huron)	Nowlan
	Pearkes
Johnson (Kindersley)	Robinson (Bruce)
Jones	Rowe
Knight	Small
Knowles	Stanton
Lennard	Stewart (Winnipeg North)
Macdonnell	Thatcher
MacInnis	Trainor
McCullough (Moose Mountain)	Tustin
	Zaplitny—45.
Michener	

Bill read the second time.

Mr. Speaker: As it is five o'clock, the house will now consider private and public bills.

PRIVATE BILLS

CATHERINE MILLER MARY HARRIS DAWSON COUTTS

Mr. W. G. Weir (Portage-Neepawa) moved that the house go into committee to consider Bill No. 12, for the relief of Catherine Miller Mary Harris Dawson Coutts.

Mr. Speaker: Hon. members will notice that there are several divorce bills to be considered in committee of the whole. Is it agreeable that the one motion should cover their being sent to the committee of the whole?

Some hon. Members: Agreed.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Marriage dissolved.*

Mr. Knowles: Just before clause 1 is carried I want the record kept straight as to what we are doing. I have agreed already, and I stand by that agreement, that so long as the question as to how we are to handle divorce bills is on the agenda of the special committee on procedure I for one do not wish to take up the time of the house to deal with these bills individually. However, I think the record should be straight as to what we are doing. In about 30 seconds on January 12 we gave second reading to some 60 divorce bills. In another 30 seconds on January 15 we gave second reading to another 80 divorce bills. We now have before us those two batches or a total of 140 divorce bills which apparently the committee is prepared to process through the committee of the whole in very short order.

Clause agreed to.

Clause 2 agreed to.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 13, for the relief of Elizabeth Ann Hunter Daykin.—Mr. Weir.

Bill No. 14, for the relief of Martha Anne Sutherland Clarke.—Mr. Weir.

Bill No. 15, for the relief of Phyllis Best Childs.—Mr. Weir.

Bill No. 16, for the relief of Marilyn Clerk Merlin Clarke.—Mr. Weir.

Bill No. 17, for the relief of Kenneth Urban Lunny.—Mr. Croll.

Bill No. 18, for the relief of Florence Bella Davis Baines.—Mr. Weir.

Bill No. 19, for the relief of Claude Arlington Root.—Mr. Croll.

Bill No. 20, for the relief of Lizzy Weiss Nomberg.—Mr. Croll.

Bill No. 21, for the relief of Mildred Elizabeth Sears Leighton.—Mr. Croll.

Bill No. 22, for the relief of Margot Landwirth Steinbach.—Mr. Weir.

Bill No. 23, for the relief of Pauline Noel Lapointe.—Mr. Croll.

Bill No. 24, for the relief of Joseph Philippe Marc Andre Fortier.—Mr. Weir.

Bill No. 25, for the relief of Nancy Rachel Bonnar Barclay.—Mr. Weir.

Bill No. 26, for the relief of Marusia Zozula Hempseed.—Mr. Croll.

Bill No. 31, for the relief of James Alexander Stevenson.—Mr. Weir.

Bill No. 32, for the relief of Vyvyan Holcombe Hervey.—Mr. Croll.

Bill No. 33, for the relief of Gilberte Drouyn Serres.—Mr. Croll.

Bill No. 34, for the relief of Margaret Alice May Plinn Cote.—Mr. Weir.

Bill No. 35, for the relief of Stanislas Anthony Placzek.—Mr. Croll.

Bill No. 36, for the relief of Rose Enkin Carriere.—Mr. Weir.

Bill No. 37, for the relief of Lottie Levine Lubotsky, otherwise known as Lottie Levine Kuznicki.—Mr. Croll.

Bill No. 38, for the relief of Solanges Laperle Desjardins.—Mr. Weir.

Bill No. 39, for the relief of Jack Kaufman. —Mr. Croll.

Bill No. 40, for the relief of Selma Sara Schachter Lande.—Mr. Croll.

Bill No. 41, for the relief of Paul Joseph Simard.—Mr. Weir.

Bill No. 42, for the relief of John McCullough Gasken.—Mr. Weir.

Bill No. 43, for the relief of Joseph Louis de Gonzague Giguere.—Mr. Weir.

Bill No. 44, for the relief of Jean Hunter Bercovitz.—Mr. Weir.

Bill No. 45, for the relief of Diane Lorraine Cleveland Morgan Stewart Patterson.—Mr. Weir.

Bill No. 46, for the relief of Elsie Eleanor Bennett Kirkcaldy.—Mr. Weir.

Bill No. 47, for the relief of Bernice Margaret Vizzutti Charters.—Mr. Weir.

Bill No. 48, for the relief of Archibald Christopher Mottley.—Mr. Weir.

Bill No. 49, for the relief of Bessita Asaria Farchi Lotenberg, otherwise known as Bessita Asaria Farchi Lotey.—Mr. Weir.

Bill No. 50, for the relief of George William Bonfield.—Mr. Weir.

Bill No. 51, for the relief of Marjorie Joan LeRiche Dunphy.—Mr. Weir.

Bill No. 52, for the relief of Geraldine Donovan Wilcox.—Mr. Weir.

Bill No. 53, for the relief of Norma Mary MacKenzie Benton.—Mr. Weir.

Bill No. 54, for the relief of Anna Smilovitch King.—Mr. Weir.

Bill No. 55, for the relief of Kathleen Dempsey Robertson.—Mr. Weir.

Bill No. 56, for the relief of Joyce Delia Pierce Korenberg.—Mr. Weir.

Bill No. 57, for the relief of Alfonsas Jankus.—Mr. Weir.

Bill No. 58, for the relief of Michael Lansky.—Mr. Weir.

Bill No. 59, for the relief of Wilma Elizabeth Dalglish Rochon.—Mr. Weir.

Bill No. 60, for the relief of John Cromkie Nicol.—Mr. Weir.

Bill No. 61, for the relief of Tyrus Raymond Markham.—Mr. Weir.

Bill No. 62, for the relief of Thelma Louise Heinz Finlay.—Mr. Weir.

Bill No. 63, for the relief of Dorothy Joan Glegg Statham.—Mr. Weir.

Bill No. 64, for the relief of Mary Laura Olive Coote Laflamme.—Mr. Weir.

Bill No. 65, for the relief of Sadie Denenberg Rockman.—Mr. Weir.

Bill No. 66, for the relief of Yukiko Takeuchi Zusko.—Mr. Weir.

Bill No. 67, for the relief of Joan Gooderham Wyman.—Mr. Weir.

Bill No. 68, for the relief of Guy Favreau.—Mr. Weir.

Bill No. 69, for the relief of Elizabeth Stewart Hughes Koren.—Mr. Weir.

Bill No. 70, for the relief of Esther Wray Carpenter Batt.—Mr. Weir.

Bill No. 71, for the relief of Shirley Mary Davis Robertson.—Mr. Weir.

Bill No. 72, for the relief of Carlo Castelli.—Mr. Weir.

Bill No. 73, for the relief of Eveline Shaheen Sauvageau.—Mr. Weir.

Bill No. 74, for the relief of George William Swinwood.—Mr. Weir.

Bill No. 75, for the relief of Marguerite Frances Wiggins MacKay.—Mr. Weir.

Bill No. 85, for the relief of Marie Jeannine Bisson Lecuyer.—Mr. Weir.

Bill No. 86, for the relief of George Joseph John Louis Gustav Brisebois.—Mr. Weir.

Bill No. 87, for the relief of Ivy Isabel Brown Wilkinson.—Mr. Weir.

Bill No. 88, for the relief of Eileen Sybil Fels Goldstein.—Mr. Weir.

Bill No. 89, for the relief of Liliane Bernier L'Heureux.—Mr. Croll.

Bill No. 90, for the relief of Andrew Warden Clark.—Mr. Croll.

Bill No. 91, for the relief of Frances Herscovitz Hershon.—Mr. Croll.

Bill No. 92, for the relief of Mary Frances Beatrice Lord Tomkinson.—Mr. Croll.

Bill No. 93, for the relief of Roslyn Belkin Cohen.—Mr. Croll.

Bill No. 94, for the relief of Phyllis Mildred Brohart Stephens Mowat.—Mr. Croll.

Bill No. 95, for the relief of Anna Lillian Montague Maye.—Mr. Croll.

Bill No. 96, for the relief of Gerald Fry.—Mr. Weir.

Bill No. 97, for the relief of Gordon Amos Finlay.—Mr. Croll.

Bill No. 98, for the relief of Eleanor Mary Hastie Moon.—Mr. Croll.

Bill No. 99, for the relief of Jean de Tonancour Racette.—Mr. Croll.

Bill No. 100, for the relief of Pauline Frances Elizabeth Appleton Powell.—Mr. Croll.

Bill No. 103, for the relief of Joseph Anthony Albert Britt.—Mr. Croll.

Bill No. 104, for the relief of Violette (Labeebe) Zakaib Kenemy.—Mr. Croll.

Bill No. 105, for the relief of Elizabeth Josephine Grant Drummond.—Mr. Croll.

Bill No. 106, for the relief of Joseph Georges Roger Dufort.—Mr. Croll.

Bill No. 107, for the relief of Max Wulfovitch.—Mr. Croll.

Bill No. 108, for the relief of Jessie Moffat Luce.—Mr. Weir.

Bill No. 109, for the relief of Julia McKenzie Clarke Smith.—Mr. Croll.

Bill No. 110, for the relief of Phyllis Matthews Cloutier.—Mr. Croll.

Bill No. 111, for the relief of Rose White Bishop.—Mr. Croll.

Bill No. 112, for the relief of Victor Della Porta, otherwise known as Jack William Taylor.—Mr. Croll.

Bill No. 113, for the relief of Edith Hersh Beck.—Mr. Croll.

Bill No. 114, for the relief of Dorothy Amelia Hockley Burne.—Mr. Croll.

Bill No. 115, for the relief of Dora Garoff Bernstein.—Mr. Croll.

Private Bills

Bill No. 116, for the relief of Phyllis Weiss Cohen.—Mr. Croll.

Bill No. 117, for the relief of Rose Lillian Budd Cooke.—Mr. Croll.

Bill No. 118, for the relief of Jeanne Delattre Toubeix.—Mr. Croll.

Bill No. 119, for the relief of Esther Smilovitch Benjamin.—Mr. Croll.

Bill No. 120, for the relief of Shirley Ann Slayton Dubuc.—Mr. Weir.

Bill No. 121, for the relief of Grace Mary Harrison Laycock.—Mr. Weir.

Bill No. 122, for the relief of Lawrence Druxerman.—Mr. Croll.

Bill No. 123, for the relief of Shirley Catherine Bradley Boyd.—Mr. Croll.

Bill No. 124, for the relief of Ferdinand Nunes, otherwise known as Ferdinand Numes.—Mr. Weir.

Bill No. 125, for the relief of Sarah Estephanie Debonnaire Johnson.—Mr. Weir.

Bill No. 126, for the relief of Sarah Ida Rishikof Neidik.—Mr. Croll.

Bill No. 127, for the relief of Harold Goldstein.—Mr. Croll.

Bill No. 128, for the relief of Mary Kathleen Hayes MacDonald.—Mr. Croll.

Bill No. 129, for the relief of Dorothy Elizabeth Brewin Lovegrove.—Mr. Weir.

Bill No. 130, for the relief of Barbara Jean White Simpson.—Mr. Weir.

Bill No. 131, for the relief of Donald George Kirk.—Mr. Weir.

Bill No. 132, for the relief of Joseph Wilmott Albert Parmenter.—Mr. Weir.

Bill No. 133, for the relief of Margaret Agnes Dupont Legault.—Mr. Croll.

Bill No. 134, for the relief of Jack Merson. —Mr. Croll.

Bill No. 135, for the relief of Philip George Ralph Anley.—Mr. Croll.

Bill No. 136, for the relief of Rebecca Joyce Isobel Hahn Vengroff.—Mr. Croll.

Bill No. 137, for the relief of Mary Szabowska Skowron, otherwise known as Marie Szabowska Skowron.—Mr. Croll.

Bill No. 138, for the relief of George Arthur Crittenden.—Mr. Croll.

Bill No. 139, for the relief of Evangeline Emma Bonner Dancsak.—Mr. Croll.

Bill No. 140, for the relief of Reginald George Silversides.—Mr. Weir.

Bill No. 141, for the relief of John Partridge. —Mr. Croll.

Bill No. 142, for the relief of Jacques Labonte.—Mr. Weir.

Bill No. 143, for the relief of Laura Solow Schwartz.—Mr. Croll.

Bill No. 144, for the relief of Leona Kuprasz Veremchuk.—Mr. Croll.

Bill No. 145, for the relief of Mary Bernice Patricia Mullins Coristine.—Mr. Weir.

Bill No. 146, for the relief of Evelyn Saxe Harris.—Mr. Croll.

Bill No. 147, for the relief of Catharina Elizabeth van de Casteel Fortune.—Mr. Weir.

Bill No. 148, for the relief of Hazel Viola Christena Darey Moore.—Mr. Weir.

Bill No. 149, for the relief of Leontine Pelletier Lamothe.—Mr. Croll.

Bill No. 150, for the relief of Lillian Hazel Welch Alexander.—Mr. Croll.

Bill No. 151, for the relief of Therese Perrier Langlois.—Mr. Croll.

Bill No. 152, for the relief of Anita Eleanor London Lewy.—Mr. Croll.

Bill No. 153, for the relief of Norma Patricia Cooke Campbell.—Mr. Croll.

Bill No. 154, for the relief of Alexandra Morgoci Cucu.—Mr. Croll.

Bill No. 155, for the relief of Daisy Helen Dean Harpes.—Mr. Croll.

Bill No. 156, for the relief of Gerald Gaudet. —Mr. Croll.

Bill No. 157, for the relief of Genevieve Mary Emily McGuire Carragher.—Mr. Croll.

Bill No. 158, for the relief of Sydney Silverman.—Mr. Croll.

Bill No. 159, for the relief of Joseph Lucien Nadon.—Mr. Croll.

Bill No. 160, for the relief of Patricia Louise Noseworthy St. Laurent.—Mr. Croll.

Bill No. 161, for the relief of Joseph Octave Leopold Richer.—Mr. Croll.

Bill No. 162, for the relief of George Gerald Patterson.—Mr. Croll.

Bill No. 163, for the relief of Marcel Berube.—Mr. Croll.

Bill No. 164, for the relief of Gertrude MacDonald Watt.—Mr. Croll.

Bill No. 165, for the relief of Claire Pierrette Desrochers Dixon.—Mr. Croll.

Bill No. 166, for the relief of Fernand Laurin.—Mr. Croll.

The Chairman: Shall I report these bills?

Some hon. Members: On division.

Bills reported.

Mr. Weir moved the third reading of these bills.

Mr. Speaker: Shall these bills be read the third time?

Some hon. Members: On division.

Motion agreed to and bills read the third time and passed.

GREAT LAKES REINSURANCE COMPANY

Mr. J. T. Richard (Ottawa East) moved the second reading of Bill No. 174, respecting the Great Lakes Reinsurance Company.

He said: Mr. Speaker, this company was incorporated by the Statutes of Canada, 1951,

chapter 69, with a capitalization of $500,000. The bill is for the sole purpose of increasing the capitalization to $2 million.

The company is licensed by the dominion insurance department and the provincial insurance department to carry on the business of reinsuring received from other insurance companies.

There is a relationship between the company's capital and the amount of business which it can safely and reasonably do, and owing to the increased demands of further business it is necessary to increase the capitalization.

The dominion superintendent of insurance is satisfied, so far as he is concerned, that the company should be permitted to increase its capitalization; and, of course, will appear before the committee to whom the bill is referred, as is his usual practice.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

NAVIGABLE WATERS PROTECTION ACT

PROPOSED AMENDMENT TO ENLARGE SCOPE

Mr. A. M. Campbell (The Battlefords) moved the second reading of Bill No. 175, to amend the Navigable Waters Protection Act (protection of rivers).

He said: Mr. Speaker, never have I stood in the House of Commons to discuss a matter which has affected me more or given me more concern than the matter I propose to discuss at the present time.

I expect most people know the value of water to health, but perhaps some people do not know what it is to do without a good drink of water. Perhaps some people do not know what it means to have to go without water and to be really thirsty. I know from experience that one of the greatest discomforts anyone can have is to be without a proper supply of water. I once travelled over the western plains and went without a good drink of water for as long as two weeks, and when we came across a spring the whole caravan I was travelling with stopped, lay down and put their heads in that stream, took their fill and then went back time and again to enjoy that pure water.

In my constituency today thousands of people have no decent water to drink. The people mostly affected are in the town of Battleford and in the mental hospital in the city of North Battleford. Something has happened to the water supply in the North Saskatchewan river at the present time, and no one seems to know what it is.

The hon. member for Prince Albert (Mr. Diefenbaker) has brought this matter up on a number of occasions and had asked the Minister of National Health and Welfare (Mr. Martin) several questions along these lines. Up to date we have no knowledge of what has happened to the water of the North Saskatchewan river, but we do know that it is in such a state that the people living along that river in the city of North Battleford, in the town of Battleford, in Prince Albert, and again in The Pas are unable to get a decent drink of water unless they bring it in from outside.

I say, Mr. Speaker, that this is a horrible situation. I say it is time this parliament did something about it. I want to put on record some of the things that are happening in the town of Battleford. I have here a long letter I received from a housewife telling me of the conditions in that town. She writes:

> After all the conferences and correspondence and travelling back and forth the latest thing to be announced is that Premier Douglas has written a personal letter to Premier Manning telling him Alberta is responsible for the pollution.

Some industries in the province of Alberta have been dumping some sort of element into this water which is poisoning the water or making it unfit for human use. This lady's letter continues:

> Meanwhile the water situation here is worse if anything. In the past two weeks several children had to be taken home from school when they became ill after drinking the water while many older persons have had gastro-intestinal trouble and have been advised by the doctor not to drink the water. Most people are boiling the water but that doesn't solve the problem in the schools where children are bound to get thirsty and what are they to do?

Now, Mr. Speaker, if we are to have healthy children they must have an adequate supply of good, pure water. Those hon. members who have raised families can all remember how many times their children would go over to the tap or to the water pail to quench their thirst. Here we have the situation that the children in these towns are unable to get a good drink of water.

The letter goes on:

> The people in town and at the Saskatchewan hospital—those who live on the grounds that is—are getting their water in containers either from friends in the country, North Battleford or the irrigation hospital where the water supply is taken from the Battle river. The mayor and the local doctor, J. E. Nunn, both told me they can't and won't drink the water.

I want to draw attention to the fact that patients in the mental hospital are unable to obtain a supply of fresh water. The attendants and members of the staff are able to get in their cars and drive out into the country where they can obtain good water,

but the patients, these people who are ill, these people who cannot understand why the water does not taste good, are being subjected to bad psychological effects which will certainly retard their recovery from their present ailments.

This letter I have already quoted from goes on to relate how a couple of high school boys have been operating a small laboratory for some time past. They took some of this water and distilled it and after distillation all that was left was a yellowish residue. The letter continues:

> The water supply at North Battleford has not been affected yet but in checking with F. Holliday, the water engineer, I was told they felt it was only a matter of time until North Battleford would have the same trouble. You see their wells are situated far enough back from the river that when the water level drops down and when it freezes over, no water flows through the back channel to get into the wells.

I might say in this connection, Mr. Speaker, that the water level of the Saskatchewan river is extremely low at the present time. I do not know how long this rubbish, or whatever it is, has been dumped into the river at the city of Edmonton, but obviously it has been going on for a year or more, and it is quite possible that with the water at a high level whatever was put into the river was diluted sufficiently so that it did not cause the trouble which has now developed.

I quote again from this letter:

> The one place which has had the most trouble and of which barely anything has been said, is the provincial hospital across the river.

That is the mental hospital. The writer of the letter goes on to say something of what the patients in that mental hospital have to put up with. They cannot get a drink of water without being nauseated and made ill in many cases. The letter goes on:

> I have checked with Dr. Nunn and he said the incidence of gastro-intestinal trouble in Battleford has definitely risen in the past month. My own ten year old son was brought home last week from school. He has been drinking only boiled water and was warned against drinking water at school. He became so thirsty one morning, however, that he simply had to have a drink and little more than an hour later, he was brought home, sick to his stomach and with severe abdominal cramps. That's the way it affects you, apparently. Many people thought they had stomach flu' and it also causes dysentry, I am told. I heard of a case yesterday where a small child of a provincial hospital employee is in hospital. Apparently she has an allergy to whatever the element in the water is and every time she drinks it she breaks out in a terrible rash and her face swells up. All these things seem to be rather trivial but I feel very strongly that the human element is the one thing that must not be overlooked in this controversy.

Now, Mr. Speaker, when the matter was put to the Minister of National Health and Welfare several times during the session he stated the federal government was not competent to do anything about the matter.

I shall now deal with my proposed amendment to the bill. As the bill states, this is an act to amend the Navigable Waters Protection Act which is for the protection of rivers. Section 18 of the act, as it is at present, reads as follows:

> No owner or tenant of any saw-mill, or any workman therein or other person shall throw or cause to be thrown, or suffer or permit to be thrown any sawdust, edgings, slabs, bark or rubbish of any description whatsoever into any river, stream or other water, any part of which is navigable or which flows into any navigable water.

There is no doubt that this act was passed many years ago, before industrial plants were built on rivers. I want to direct attention to the fact that the city of Edmonton in particular, in common with many other parts of Canada, is becoming highly industrialized. I can remember driving not many miles north of the city of Ottawa when I passed a plant, and I was hardly past it until I noticed a stream of whitish-looking liquid running away from the plant, under the highway and into the Gatineau river.

This matter of dumping this sort of stuff into rivers is becoming of great concern to many of our people. When the government built the Chalk River plant I notice that they took care to see to it that a ditch was dug and that the residue from that plant was taken away from the river into a swamp not far from the plant.

The situation has changed. The present navigable waters act is a federal act which gives this government jurisdiction over any navigable waters in Canada, and prohibits a saw mill from throwing rubbish of any description whatsoever into any river, stream or other water, any part of which is navigable or which flows into any navigable water. I have looked up the definition of "rubbish" in the large Oxford dictionary. "Rubbish" is defined as waste or refuse material, debris, litter, refuse; rejected and useless matter of any kind.

The first point I wish to make tonight is that this government is competent to prevent the dumping by saw mills of rubbish into navigable streams. The act discriminates against saw mills. A saw mill is the only industry which, under the act, is prohibited from dumping rubbish into a river. Any other industry can build on river banks and dump all its rubbish or all its refuse into a navigable river without any hindrance from this government. My amendment to this act would expand the scope of the act to the

extent of adding the words "or other industrial plant". Section 18 would then read:

No owner or tenant of any saw-mill, or other industrial plant, or any workman therein or other person shall throw or cause to be thrown, or suffer or permit to be thrown any sawdust, edgings, slabs, bark or rubbish of any description whatsoever into any river, stream or other water, any part of which is navigable or which flows into any navigable water.

On January 19 the hon. member for Prince Albert asked the Minister of National Health and Welfare what action the federal government intends to take to preserve from pollution the waters of rivers that flow through two or more provinces. In his reply, as reported at page 1235 of *Hansard*, the minister stated:

The responsibility for remedying the situation is recognized by both provinces as not coming within the competence of the federal government.

He went on further to say:

Indeed, whether or not there was that acknowledgment I would have to submit that would have to be the situation as far as the federal government is concerned, for this is clearly a matter that does not come within the competence of the federal government.

I cannot understand the attitude taken by the minister. Here we have a terrible situation where thousands of people are concerned. Water is of primary importance to the health of our people, and we have a situation where one or more industries are dumping their refuse and rubbish into the Saskatchewan river at Edmonton in the province of Alberta. Pollution of the Saskatchewan river in the province of Alberta does not affect the people of Alberta directly, because no water is used out of the river below Edmonton until it gets to Battleford and North Battleford in Saskatchewan. The citizens of the town of Battleford use the river as their sole water supply. The mental institution in North Battleford, housing some 2,000 patients besides the staff, depends on this water for human consumption. The river then continues on till it comes to Prince Albert, a city of some 6,000 or 7,000 people. Again these people have to put up with a terrible situation.

Mr. Diefenbaker: Twenty thousand.

Mr. Campbell: I stand corrected. I understand from the hon. member for Prince Albert that the population of the city of Prince Albert is 20,000. That emphasizes my case, Mr. Speaker. From there the river runs on into Manitoba, through The Pas and into Hudson bay.

I would point out that this matter which is put into rivers does not respect provincial boundaries. This river runs through three provinces, and the minister says the federal government has no jurisdiction or is not competent to deal with the matter. Surely it is time this parliament took action to stop the dumping of whatever element it is that is being dumped into the river at Edmonton. I should like to ask the Minister of National Health and Welfare why it should not come within the competence of the federal government, if the federal government expects that a conference is going to have to be held after damage has been done to a river which may take years to clear up. It may take years to clear the situation up because of the fact that the water is very low and this matter, whatever it is, is no doubt soaking and working itself down into the silt; it may take only months or it might take years before this river is able to clear itself. We should have legislation in our federal statutes so these rivers can be policed to make sure that no industry will be allowed, under federal law, to dump its refuse into navigable waters or streams that are being used or might some day be used for human consumption.

In the question asked by the hon. member for Prince Albert on January 19 he stated that he had brought this matter to the attention of the department some three weeks previously, so the department would know of the situation on or about December 20. On January 25 the hon. member for Prince Albert, as reported at page 1407 of *Hansard*, asked the following question:

I should like to direct a question to the Minister of National Health and Welfare, bringing to his attention again the emergent situation, in Prince Albert and also in North Battleford, which is becoming more serious rather than better. In an editorial I have here in my hand I see a description of conditions of the water at Prince Albert. Those who speak with authority describe it as "water comparable to low grade swamp wash laced with crude oil."

In view of the fact that this situation has continued for a considerable period of time, I would ask the minister what stand the federal government is taking with reference to this matter and the removal of this nuisance, or at least to give assistance in that direction. I would also ask whether, under all the circumstances, regardless of federal responsibility or otherwise, he would make available and send out to Prince Albert one or two of his officials to see what they can do to solve the problem there and to preserve the health of the people. The situation is serious.

The Minister of National Health and Welfare replied as follows:

My hon. friend does not now deal with the question of competence. That was dealt with in the question which he put to me the other day. He now asks me if we would be prepared to send out to the provinces of Alberta and Saskatchewan officials of our own department who are technically qualified to assist in this matter. I am happy to be able to inform my hon. friend that not only will we be able to do so but that we have already done so. Last Friday the supervising engineer of the public

health engineering division of our department attended a meeting in Edmonton with the representative of the company and the department of health, and the matter was fully reviewed. The technical officers, including our own officials, are now engaged in determining the precise cause of the pollution. The supervising engineer has also been in touch with the officials of the department of health in Regina. My hon. friend may be assured that, without in any way begging the question of competence, the federal government will do all it can do to assist the provincial authorities to carry out their constitutional responsibility.

The hon. member for Prince Albert replied to the minister as follows:

I thank the minister for his reply, and I should like to ask a supplementary question. The other day I asked him to ascertain the responsibility of the federal government in connection with rivers that traverse two or more provinces. Has he had any legal opinion on that matter? Is it not a fact that, under the situation disclosed here, there is a distinct responsibility federally to look into this matter and to act?

The minister replied:

I do not believe I can add anything to what I said in answer to the supplementary question put to me by my hon. friend about four or five days ago.

The Minister of National Health and Welfare, in reply to the question of the hon. member for Prince Albert on January 19, stated, as reported at page 1235 of *Hansard* for that date:

My hon. friend will find that this matter—I do not mean this particular situation but the principles involved—was fully discussed in the house in 1949, and the discussion can be found at page 571 of *Hansard* of October 6 of that year.

The discussion to which the minister referred related to an amendment moved by the hon. member for York West (Mr. Adamson) to section 19 of the Navigable Waters Protection Act, and had to do with the pollution of the waters along the shore line of lake Ontario, while the case which I am arguing refers to a river running through three provinces. During that debate the Minister of Transport (Mr. Chevrier) argued that the federal government was not competent to deal with the situation, and the amendment was voted down. I believe the minister was correct, because this is a completely different situation.

Again on January 28 the minister referred to the matter of competence in reply to a question of mine as to whether or not he had received a report from the supervising engineer of the public health engineering division concerning the pollution of the North Saskatchewan river. At the time the minister said he had nothing to add to the reply he had made to the hon. member for Prince Albert a few days previously.

In a press report received from Prince Albert a few days ago it was stated that this condition has been continuing since November 15 last. Surely it is time this federal government accepted the responsibility of looking after the health of our people, and corrected this situation which has been known since last November.

Another press report states that health minister Cross of Alberta stated last Tuesday that a dam on the North Saskatchewan river 100 miles west of Edmonton had been mentioned as a possible solution to the pollution of the river waters. It was estimated this dam would cost between $3 and $4 million. I should like to ask this house who would pay for a dam of that description? Would the people of Canada be asked to put up between $3 and $4 million in order to avoid the pollution of the river by some industries? I am sure that this condition is not limited to Saskatchewan, but that industries are doing the same thing in other parts of the country.

Health minister Cross goes on to suggest that such a dam would permit control of the river level in winter periods of low water when there is greater risk of pollution. If we had a federal law that would prevent the cause of pollution there would be no necessity for building dams or forcing our people to drink such horrible water. Another press report from Prince Albert reads as follows:

Local water drinkers can expect to have tasteless water again in approximately one week, it was reported at Monday night's meeting of city council. The North Saskatchewan river, from which this city draws its drinking water, has been polluted by industrial wastes from Alberta since early last November.

A report by J. G. Schaeffer, chief sanitation officer to the provincial health department, revealed that the addition of chlorine dioxide to the water would remove the taste and smell. The chemical treatment was discovered after extensive tests were made on samples of river water taken right at the site of the Edmonton factory blamed for the nuisance.

Here we are going to have another horrible element added to the water in an effort to counteract the elements that are causing the pollution. This sort of thing has been going on in the United States for many years. They have arrived at the point where most of their rivers are polluted to such an extent that the water is not fit for human consumption. The estimated cost of the treatment of industrial wastes from major industries contributing to the pollution of surface water in the United States is $694 million. The source of my information is a pamphlet entitled "Water Pollution in the United States", pages 31, 53 and 54.

Because of the rapid expansion of industry in Canada, especially in the province of

Alberta, this problem will become more and more aggravated unless this parliament agrees to take action to stop the pollution of our rivers at the source. The problem will not be solved permanently by building dams or by adding more and more chemicals to the polluted waters.

I hope the government will agree that the time has come to take definite action. If they are not prepared to support this bill, and if they have a better method of tackling the problem, I hope they will reveal it to the house now. Surely it is the duty of this parliament to make sure our people are not subjected to possible sickness or disease merely because parliament has refused to face up to the problem.

I have informed the house what the problem is, Mr. Speaker, and I have made suggestions. I hope the Minister of Transport or some other minister will either agree to accept this bill or come forward with a better proposition.

Mr. J. G. Diefenbaker (Prince Albert): First I wish to congratulate the hon. member for The Battlefords (Mr. Campbell) upon having introduced this amendment. Few members in this house have any realization of the situation which prevails in the cities of North Battleford and Prince Albert, and in the town of The Pas.

The people in the city of Prince Albert were the first to have this problem. As a result of the dumping of deleterious substances into the river below Edmonton, 50,000 people in Saskatchewan are indirectly affected and 30,000 people are in the position that they cannot drink the water which flows in the Saskatchewan river. "Water, water, everywhere, nor any drop to drink"; that is the position of these people. As the hon. member has pointed out, this has become a national emergency. If not met as a national emergency, it will become a permanent problem for the people along the northern Saskatchewan. There is no description of the bad odour of the water that is more fitting than the words of Shakespeare when he said:

> The rankest compound of villainous smell that ever offended nostril.

That is what we are putting up with on the northern Saskatchewan. Everyone seems to contend that someone else must accept the constitutional responsibility. We in Prince Albert were the first to suffer. My hon. friend's city of North Battleford and town of Battleford did not come into the picture for several weeks because of the location of the water intake in these two urban municipalities. Prince Albert has experienced this situation since November 12. An appeal was made to the provincial government of Saskatchewan and the stand was in effect that it was not a provincial problem.

The inception of it is in Alberta. The department of health in Alberta has taken a benevolent interest in the subject, and says in effect "This is not our problem". Recently the province of Manitoba has made representations because the problem has finally reached The Pas. Certainly this is a national problem, and something must be done to meet it.

I am not going to quote newspaper references extensively, but while my hon. friend was speaking I sent to the library to secure the Prince Albert *Daily Herald* so I could give the house something of the picture, and in a few minutes show the conditions prevailing there. I find that in the issue of January 29 this newspaper states:

> Manitoba and Alberta have asked federal aid in ridding North Saskatchewan river of pollution. Request from Manitoba came to federal government when The Pas appealed to Manitoba government for aid in clearing up a water condition similar to one prevalent in Prince Albert.
>
> In letter to city council from Hon. Paul Martin, federal minister of health, it was stated that results of tests on water from the river are not yet available.
>
> The federal health minister has twice stated in the House of Commons that solution of water problem is not responsibility of federal government.

Prince Albert is asking for some action. On the 28th of January officials from the federal and provincial authorities met there. The heading of the article on that date is "Officials Here to Talk Water." They talked water, and while they talked the people thirsted. And that has been the condition that has continued for a period of almost two and a half months.

I could go back day by day in this newspaper file, and find each day a reference to the situation. Someone says, "Why do not these cities do something to meet the situation themselves?" The city of Prince Albert has made some investigation into the question and has found that it would be financially impracticable for the city to handle this problem alone, as was pointed out by the superintendent of utilities. He said it would cost the city at least $60 a day to meet a problem that results from a condition of affairs outside of and beyond the city, and also beyond the province of Saskatchewan.

Day by day the city council of Prince Albert has been asking for action, and the health authorities and representatives of the various western provinces have been discussing the matter. The people of Prince Albert

depend for their water supply upon what can be obtained from wells in the neighbourhood. I wonder at the self-restraint that has been shown in trying to get action.

The answer by the federal authorities has been in effect: Are we, in effect, our brother's keeper, under the legislative distribution of powers in this dominion? Certainly it is not the government of Saskatchewan that is alone responsible, nor is it the government of Alberta, and the government of Manitoba has no direct responsibility.

I make an appeal to the minister to brush aside for the moment some of these constitutional difficulties that can be raised on every occasion and on every matter in respect of the distributed powers of legislative authority. Give us assistance. I repeat that the hon. member for The Battlefords deserves high commendation for offering this amendment. I am wondering, though, whether it would actually cover the situation. The section as amended would read:

> No owner or tenant of any saw-mill, or other industrial plant, or any workman therein or other person shall throw or cause to be thrown, or suffer or permit to be thrown any sawdust, edgings, slabs, bark or rubbish of any description whatsoever into any river, stream or other water, any part of which is navigable or which flows into any navigable water.

This section would create a new offence. As it is today I do not think there is any offence under the law covering the problem I have described; for certainly what is being dumped into the river is not sawdust, edgings, slabs, bark or rubbish of any description. And those latter words would be interpreted, I would say, in their relationship to the words preceding them.

If this amendment were carried, I think there would still be no offence created to cover the prevalent situation. Having that in mind, and subject to my hon. friend's agreement, I suggest that these further words be added to section 18 in question, the additional words to begin after the word "whatsoever" in the fifth line of section 18. Those words would be, "or chemicals of any kind, and without restricting the generality of the foregoing any substance which, although not deleterious or harmful to human health, causes discomfort or annoyance to users of water".

This would make it an offence which would cover the situation in question, the one we face. I am not going to talk this bill out, although I could say a great deal more. This problem has continued since November 12. Anything I have done in bringing it to the attention of the house has not been done in any critical attitude. I have tried to get the co-operation of the Minister of National Health and Welfare (Mr. Martin), and the minister has promised co-operation and has sent representatives. But while the representatives meet the problem intensifies and becomes worse.

Mr. Knight: They used imported water while they were staying there.

Mr. Diefenbaker: Yes, and in Prince Albert we are reaching the position that is found in Mexico city, where one cannot drink the water available but has to have bottled water. Surely our health authorities in this country are not going to permit the existence of a condition like that in rivers where the water should be pure, rivers upon which cities dependent on the purity of these waters are located.

I make this appeal, and join with the hon. member in asking action. Also, in order to assist him in what he has done in bringing this amendment before the house, may I move, seconded by the hon. member for Royal (Mr. Brooks):

> That after the word "whatsoever" in the fifth line of section 18 in the bill the following words be added:
> "or chemicals of any kind, and without restricting the generality of the foregoing any substance which, although not deleterious or harmful to human health, causes discomfort or annoyance to users of water".

The Acting Speaker (Mr. Applewhaite): Before the hon. member for Rosetown-Biggar (Mr. Coldwell) speaks, may I point out that the amendment moved by the hon. member for Prince Albert (Mr. Diefenbaker) I am afraid is not in order at this stage. Although I realize the bill before us is a one-section bill, nevertheless the motion before the house is that the bill be read a second time. I am of the opinion that the amendment should be moved when we are considering the section in committee.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I was going to draw attention to that fact. However, I was going to add—and I do not want to talk the bill out—that I agree with all that was said by the hon. member for The Battlefords (Mr. Campbell) and the hon. member for Prince Albert (Mr. Diefenbaker).

I think there is some federal responsibility, and that if the federal authorities wanted to find authority for action they could find it, as a matter of fact, in the Fisheries Act. Anyone who will look at section 33 (2) of the Fisheries Act will find this:

> (2) No person shall cause or knowingly permit to pass into, or put or knowingly permit to be put, lime, chemical substances or drugs, poisonous matter, dead or decaying fish, or remnants thereof,

mill rubbish or sawdust or any other deleterious substance or thing, whether the same is of a like character to the substances named in this section or not, in any water frequented by fish, or that flows into such water, nor on ice over either such waters.

Now, the Saskatchewan river is frequented by fish. Is it more important to protect the lives and the health of fish than the lives and the health of people who live along this river? I am not a lawyer, of course. There are strange quirks in the law. It seems to me that if we can protect the fish in that river—and there are goldeyes in it; there are sturgeon in it; there are lots of fish in it—and if we cannot protect the people of Prince Albert, the Battlefords and The Pas, then I suggest that you make some attempt to look after the poor fish in that river and relieve human beings too.

Mr. A. M. Nicholson (Mackenzie): I was a guest in Prince Albert on January 21 and January 22. I want to endorse everything that was said by the hon. member for The Battlefords (Mr. Campbell) and the hon. member for Prince Albert (Mr. Diefenbaker).

During my lifetime I have been forced to live in quite a number of places on the prairies where we were dependent on sloughs, rivers and lakes for our water supply. I have had my share of water that really was not fit for human consumption, but never in my life did I encounter any water quite as unpleasant as the water in Prince Albert. My hosts wondered whether I would try tea or coffee. I tried both. I am not too hard to please, but it was impossible to drink a cup of either tea or coffee. I was about to have a shower. My friend suggested that one would be sufficient. After a very brief pause under the shower I came to the conclusion that I would be better off to stay without a shower than to have one. It would be difficult to exaggerate the condition of the water that is used in Prince Albert.

As the leader of this party suggests, since we could make some changes to protect the fish, the good people living in The Battlefords, North Battleford, The Pas and Prince Albert should be considered, and the federal government should give them the necessary protection.

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, the bill which my hon. friend has been discussing the last few minutes was moved for the first time, I believe, on Friday of last week. At that time it was given first reading, and it comes up now for a discussion of the principle on second reading.

I have not had an opportunity of studying the bill as carefully as I should have liked, but on the other hand, this is not the first time since I have been in the Department of Transport that efforts have been made to amend this act for the purpose which the hon. member for The Battlefords has in mind now. I am not at this moment discussing the laudable attitude of the hon. member in seeking to rid the locality in which he lives of the pollution of waters and in raising the question which he does. Naturally I have, as I am sure most hon. members in this house have, a great deal of sympathy for the position in which he and the hon. member for Prince Albert find themselves. But I am sure he would not want either myself or any other minister of the crown to consent to an amendment to an act which, if it were tested in the courts, would be found to be unconstitutional or ultra vires.

As I understand my responsibility with respect to the Navigable Waters Protection Act, it is clearly set out in part II, which defines the minister as being the Minister of Transport. It describes "owner" as the owner of any wreck, obstruction or obstacle as referred to in subsequent sections, and also gives a definition of "vessel". That part deals with obstructions to navigation, and all one has to do is to read the marginal notes against the different sections to ascertain for himself what the meaning and the intention of parliament was when all these sections—and that includes section 18—in part II of the act were enacted.

There is no doubt that section 18, and all the other sections in that part, have to do with obstructions to navigation. That is the intent of the act, and that is why this particular part of the act has been placed under the jurisdiction of the Minister of Transport, because I am charged with the responsibility of seeing to it that navigation or navigable waters are not obstructed.

The hon. member for Rosetown-Biggar (Mr. Coldwell) raised an excellent point when he queried whether or not this is the act under which the hon. member should seek the redress he wants.

Mr. Coldwell: I think you have the authority to make the redress right under the Fisheries Act.

Mr. Chevrier: I intend to deal with that at a little later stage, if I have an opportunity. But I do want to make it clear, as I have on more than one occasion in this house with reference to other proposed amendments to this section, that part II relates to navigation and shipping, for which responsibility, under section 92(10) of the British North America Act, lies with the federal government alone.

What my hon. friend is seeking to do is to amend an act dealing with navigation—over which we in this parliament have jurisdiction—to remedy a pollution problem, a health matter, which under normal conditions comes under provincial jurisdiction.

The amendment which the hon. member for Prince Albert brings in only accentuates that point, because he clearly sets out that the matter to be remedied is one having to do with health. I have not the amendment before me, but there was mention of chemicals of every kind and deleterious substances which affect health. Normally these are provincial matters.

I have in mind a matter exactly the same as that, which I discussed with the crown attorney of a constituency in the province of Ontario where a deleterious matter was being dumped into a river by an industrial plant and was not only killing the fish but was affecting bathers, who could not even go in the water because their bathing suits would be soiled. After a discussion with him on the suggestion to amend the navigable waters act in an attempt to remedy the situation, he came to the conclusion that the thing to do was to consult the provincial authorities, which he did.

On motion of Mr. Chevrier the debate was adjourned.

The Acting Speaker (Mr. Applewhaite): I am sorry to interrupt the minister, but it is six o'clock. At eight o'clock the house will resume the business which was interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Speaker: The house will now revert to the business that was being considered at five o'clock.

SENATE AND HOUSE OF COMMONS

AMENDMENTS TO INCREASE SALARIES OF SPEAKERS AND DEPUTY SPEAKER, SESSIONAL ALLOWANCES OF MEMBERS, ETC.

Hon. W. E. Harris (for the Prime Minister) moved that the house go into committee to consider Bill No. 171, to amend the Senate and House of Commons Act.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Salaries of Speakers and Deputy Speaker.*

[Mr. Chevrier.]

Mr. Knowles: There is just one word I should like to say, and I do this at the request of the one member of our group who is not able to be here at the present time because of illness. The hon. member for Kootenay West asked that it be placed on record that had he been able to be here today he would have voted against the second reading of this bill.

Clause agreed to.

On clause 2—*Sessional allowance.*

Mr. Coldwell: When we were discussing the resolution I suggested that we might move some amendments during the discussion of the bill clause by clause. Therefore I move:

That section 2 of Bill 171 be amended by deleting from line 20 the words "eight thousand" and by substituting therefor the words "six thousand".

I am not going to speak at any length because I did so before. The experience of the last four years has probably shown us that $6,000 would be sufficient to meet the needs of most hon. members. We have as a group discussed this pretty thoroughly, and those of us who believe in the increase in the indemnity, with some exceptions, in the main agree that this is the amount that should be in the bill.

Mr. Drew: I should like to make it quite clear that my remarks about the procedure apply as much to the attempt to fix the amount in this way as to any part of the act. To indicate how wise it would be if this whole subject were approached in a quiet, orderly manner of examination, I cannot help placing before the committee certain comments made yesterday by one hon. member which indicate what heady meat we are dealing with in this case. I find evidence that the hon. member for Nickel Belt was not pleased with the reception he received at the opening at the airport at Sudbury.

He is quoted as saying:

"And I intend to continue being a good citizen, despite the insults and injustices."

"Tomorrow," he shouted, "I will be a $10,000-a-year-man—"

Some hon. Members: Order.

Mr. Gauthier (Nickel Belt): Let him go on.

The Deputy Chairman: If the hon. member is proposing to read a reference to the conduct of a member outside the house I should think he was not in order.

Mr. Drew: Mr. Chairman, naturally this subject is one of interest and the impact it has on those who are discussing it is a subject of interest. Without referring to any specific statements that might have been made in the last 24 hours one can well

understand that there are those who take very much to heart the impact of this proposal upon their own personal affairs.

I only hope that the reason this provision is being made for the other house has no relationship to the suggestion that it is tactically wise in order to promote the passage of the bill. Certainly as yet I have heard no argument put forward which indicates a single reason why one figure or another would be a satisfactory figure. I pointed out yesterday that when the Prime Minister had suggested that with our respect for the constitution at Westminster we should remember their success with a parliament of two houses, we might also remember that Westminster offers no suggestion to us that the salaries should be the same because at Westminster the upper house receives nothing.

Mr. Abbott: Just a title.

Mr. Drew: The title gets them in there; they do not get the title because they are there. They receive nothing. Members of parliament have had their indemnities increased without any suggestion that there be some provision of this kind so the House of Lords would deal satisfactorily with the measure before them.

While I do not think that there is any evidence before us that the members of the Senate should receive this amount, I say with equal force that there is no evidence before us to show what they should receive. I for one believe that the whole method is wrong, and that we should not be attempting to deal with this without further information than has been placed before us.

Mr. MacInnis: Mr. Chairman—

Some hon. Members: Question.

Mr. MacInnis: Just a moment, please; you will get your increase in indemnity in due time. There is no reason why we should not proceed properly despite your hurry.

Mr. Abbott: You will get it, Angus.

Mr. MacInnis: If I were in such a hurry I would be wise enough not to let the public see it. The haste of my friends opposite is absolutely indecent. Mr. Chairman, if you are making the ruling that something said by a member outside this house cannot be repeated in the house I should like to know the citation covering that. My experience has been that what members say outside the house is quoted here every day.

I am going to vote for this amendment, although I am opposed to any increase. If we are going through with it I would rather have a smaller increase than is in the bill. For that reason I am going to vote for the amendment.

Yesterday I said that these increases would separate members from their constituents, it would make a difference each would feel. I did not think we would have an example of that so soon. Apparently the hon. member for Nickel Belt thinks the bill will have royal assent by tomorrow, because he is reported as saying that tomorrow he will be a $10,000 a year man and he is not going to be pushed around by any $50 a week penpusher.

There you have it. I do not require to say any more.

Mr. Castleden: Mr. Chairman, I would just like to say a few words on this amendment, to point out something which has not been mentioned in this particular part of the debate, namely that the cause of this demand for an increase stems from the fact that it costs so much for members of this house to live, and that the cost of living applies not only to the members of this house but to people all across Canada.

For years this group in this house has urged that the cost of living be kept down, that the old price controls be kept on in order to prevent this kind of thing, but the cost of living has continued to rise. The official opposition opposed the attempts of this group to maintain price controls in order to keep down the cost of living. You sowed the seeds ten years ago and you are now reaping the harvest. The whole question is related entirely to the cost of living.

What position are we going to be in as members of parliament if the cost of living goes down? The cost of living index today stands at a level of around 184 based on the 1935-39 index of 100. If the cost of living goes down within the next five or ten years —and it probably will—this proposed $10,000 indemnity will buy $17,000 worth of goods. Then when the rest of the people of Canada are down in the depths, with low wages and low salaries, and with hundreds of thousands of unemployed, members of parliament will be in a very preferred position.

This question is related to the cost of living, and the government must face the fact they are responsible for the cost of living in Canada and for the costs which members have to bear in living in Ottawa today.

Mr. Studer: They are responsible for prosperity, too.

Mr. Castleden: There is no reason why members of parliament should be placed in a preferred position in relation to the rest of the people in this country. It is for that

reason we are trying to bring to the attention of the government that this bill is not sound, and that in principle it is wrong. We oppose it. We are now trying to amend it to keep our indemnity somewhere within the realm of reason so that our position can bear some comparison to that of the people who have to pay high rent and who have to spend what little money they have, whether from old age pensions or war veterans allowances, in getting the things they need.

While these people are still in that position we maintain it is morally wrong for members of this house to vote themselves this amount of money. We want the amount brought within reason. Some hon. members here said, "Oh, yes; the people of Canada can judge this at the next election, and if they do not like what we have done they can throw us out". It would be what a lot of members deserve. An opportunity existed for the government at the last general election to ask the people of Canada what they thought of an increase, or at least to officially inform them that six months after the calling of the new parliament members' indemnities would be doubled.

Mr. Studer: Did they do that in Saskatchewan?

Mr. Castleden: Will the hon. member repeat his question?

An hon. Member: He is only worth $1,000.

Mr. Studer: Did they do that in Saskatchewan?

Mr. Castleden: I am glad the hon. member brought that matter up. As soon as the C.C.F. government of Saskatchewan came into power the members of the cabinet reduced their salaries by $1,000. The cost of living had then dropped slightly, but ever since it has been up in Saskatchewan as it has been up everywhere else.

An hon. Member: So have the taxes in Saskatchewan.

Mr. Castleden: Of course the cost of living is going to go up. The ten legislatures across Canada will be facing exactly the same problem we face today, and they will want to increase their indemnities. The cost of living has gone up for the legislatures, but it has also gone up for the people. Why did the government not indicate to the people of Canada that they were going to do this, so the people would have an opportunity to indicate what they thought about it?

For these reasons we are opposing this measure. This government are responsible for the high cost of living. They are responsible for the very conditions which have created this demand—and it is a natural demand—and they must bear the blame for it. What of the situation we find ourselves in today with regard to the rank and file of the people who have no opportunity to raise their own salaries? We protest that this is morally wrong, and we are going to continue our protests all the way through.

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: No.

Some hon. Members: Question.

Amendment (Mr. Coldwell) negatived: Yeas, 15; nays, 96.

The Deputy Chairman: I declare the amendment lost.

Mr. Knowles: Mr. Chairman, while we are still on clause 2 there is another aspect of the matter which I wish to ask the house to consider. As hon. members are aware, the clause now before us provides for the proposed increase to be made available to senators and to members of the House of Commons. I am aware of the position the Prime Minister has taken with respect to this matter, namely that he feels the Senate is here to stay as part of our constitutional set-up and that so long as this is the case they should be treated on a basis of equality with the members of the House of Commons.

I do not agree with that position. As a matter of fact, I might point out that even in terms of dollars and cents the respective positions have not been equal since 1945. When Mr. King first brought in a resolution regarding expense allowances, if my memory serves me correctly, these allowances were to be provided only for the members of the House of Commons. Later, after newspaper reports to the effect the Senate would not agree to the proposition if it were passed in that form, Mr. King withdrew the resolution and placed another one on the order paper. It provided for the expense allowance to be paid to members of both houses but made a distinction or a difference, namely that in the case of members of the House of Commons, except cabinet ministers and the Leader of the Opposition, that $2,000 would be tax free but in the case of senators it was to be taxable. Hence in terms of actual dollars and cents there is a difference already, and I suggest that fact invalidates the argument that we have to be kept on a basis of equality.

It has also been pointed out that, in so far as the Prime Minister contends that the

parliament at Westminster is a model for us to pay some attention to, the members of the House of Lords serve without any indemnity paid directly from the exchequer of that country. Most of us feel that there is a tremendous difference between the amount of work that has to be done by members of the House of Commons and the amount of work that has to be done by members of the other place. I think it is significant that in the editorial columns of the newspapers of this country during the past week or so considerable opposition has been expressed —indeed, from quite unexpected sources— against this increase being given to Their Honours in the other place.

I am sure the Prime Minister was not surprised this afternoon when the house smiled somewhat at his suggestion that we send the bill over to them with the increase for members of both houses written into it, and leave it to them to reduce it if they saw fit. The number of amendments which Their Honours make to important bills is not great; and the likelihood of their proposing such an amendment is, I suggest, somewhat remote. But whether or not that is the case, it seems to me that we in this chamber have a responsibility to decide whether, as a matter of public policy, an increase to a total of $10,000 should be made with regard to the members of the other house at the same time it is being made with respect to members of the House of Commons. Although it may be the Prime Minister's view that this should be done, it seems to me that the House of Commons should have an opportunity to decide whether or not, in our judgment, that is good public policy.

In order to give this committee an opportunity to decide whether or not this increase should be made with respect to members of both houses, I propose to move an amendment to clause 2 of the bill. I direct your attention, Mr. Chairman, to the wording of this amendment because, of necessity, one has to draft it in such a manner as to fit into the clause which is before us. My amendment is:

That section 2 of Bill No. 171 be amended by deleting from line 19 the word "and" and by substituting therefor the words "a sessional allowance at the rate of four thousand dollars per annum and to every member of the".

That is the end of the amendment, but it would be only fair for me to read the subsection as it would appear as amended, so that it will make sense not only to persons who may read *Hansard* but to members who are listening to me at the present time. The subsection as amended would then read as follows:

For the sessions of each parliament there shall be paid to every member of the Senate a sessional allowance at the rate of four thousand dollars per annum and to every member of the House of Commons a sessional allowance at the rate of eight thousand dollars per annum.

I wish to make it clear, Mr. Chairman, that with respect to the latter figure—I refer to the figure of $8,000 per annum for members of the House of Commons—that is not the figure that I think should be there, but that figure has now been decided by two votes of the members of the House of Commons. So far as the former figure is concerned—and I refer to the figure of $4,000 per annum as a sessional allowance for members of the Senate—again I am not picking that figure out of a hat. That is their allowance at the present time. Therefore the effect of my amendment is to provide that Their Honours in the other place be not given the increase which this bill provides for members of the House of Commons.

The Chairman: I may say to the hon. member for Winnipeg North Centre that I am in some doubt whether the amendment is in order. I would refer him to citation 684, third edition of Beauchesne, which reads in part as follows:

The chairman stated that, though the committee had full power to amend, even to the extent of nullifying the provisions of the bill, they could not insert a clause which reversed the principle which the bill, as read a second time, sought to affirm.

In one view of this amendment, it would reverse a principle which was agreed to on second reading. However, I am not going to labour the matter. I express the doubt, but I think I would be inclined to allow the amendment.

Some hon. Members: Question.

The Chairman: Is the committee ready for the question?

Mr. Drew: Mr. Chairman, since you have said that you are not going to make a ruling, there is no necessity to discuss the matter; but as it has been recorded in *Hansard* I do not think the matter should be left there without comment.

The Prime Minister this afternoon made some point about the figures not being involved in the principle. If that argument was correct, then most certainly the decision on second reading could not have any bearing on any figure that is contained in this measure. My own belief is that the principle was much more than just the decision that there should be an increase, and that it involved the whole method.

I simply want to repeat that what I said before applies to the present suggestion. I do not believe we have the necessary information before us. We have not the information

before us on which we would be justified in supporting this payment for the members of the Senate, nor have we any evidence before us to indicate why the members of the Senate should remain in exactly the same position while these increases are being made for the members of the House of Commons. There may be some intermediate figure or there may not be; at least, the matter should be a subject for inquiry.

For that reason, Mr. Chairman, I would oppose this amendment; and the remarks I now make apply to every clause of this bill. What is now being done merely indicates the extent to which we are proceeding without the kind of information that we would or should demand with regard to any measure coming before us when public funds are involved.

Mr. Diefenbaker: This is an extremely interesting question, Mr. Chairman. This afternoon the Prime Minister got as far as the opposite pole from the stand taken by his predecessor in office when, over the years, he spoke long, lustily and with tremendous effect to the electors on the question of Senate reform. I can still remember those eloquent speeches of 1925 and 1926—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —and the tremendous reforms that were going to be effected.

The Chairman: Order. The hon. member will recall that His Honour has expressed the view that the question of Senate reform is out of order in this debate.

Mr. Diefenbaker: All right, Mr. Chairman. I will just say that this is a new form of reformation by an additional allowance, and leave the matter there. I could not help but recall those former days, Mr. Chairman.

The Leader of the Opposition has said that the increase in the indemnities of both houses to the same extent cannot have the support of the reasons advanced by the Prime Minister. The reasons for this precipitate haste in increasing our emoluments, no one has yet put forward. Certainly, Mr. Chairman, I doubt whether any of us would have been returned had we had this measure before us in April last, and voted for it. Courage after an election is scarcely in keeping with the principle of giving leadership to public opinion.

I say no more about the precipitate haste. Some have said the suggestion of the Leader of the Opposition that there should be a full investigation received no support. Public opinion does not want this increase, Mr. Chairman. Regarding the public's attitude towards the increase of our indemnity, someone has said that Gallup polls mean nothing. They are quoted at every election.

Mr. Sinclair: Against the Tories.

Mr. Diefenbaker: Yes.

Mr. Sinclair: And rightly.

Mr. Diefenbaker: Yes, quoted against us; and what does the Gallup poll say now? A Gallup poll conducted the other day concerning this increase showed—

Mr. McCann: Where?

Mr. Diefenbaker: Mr. Chairman, could you call for order?

The Chairman: Order. At the same time I am calling for order I want to remind the hon. member that we are discussing clause 2 of this bill, and not the Gallup poll.

Mr. Diefenbaker: Mr. Chairman, there is an amendment before the committee, and I am discussing the question of whether or not that amendment should receive the support of this committee. I am advancing arguments in support of the stand I take, and I say that public opinion in this country is usually explained as the reason parliament cannot act. We must first educate public opinion. According to the last Gallup poll, public opinion was 64 per cent against this increase.

Mr. McCann: In Toronto.

Mr. Diefenbaker: The Leader of the Opposition said that something should be done by way of investigation, but that suggestion was not accepted. Certainly the reasons why our indemnity should be increased have no application in their entirety to similar increases for members of the Senate. I am going to quote from the *Leader-Post*, a Liberal paper published in Regina. The editorial is entitled "Enough is Enough". After dealing with the tremendous increases asked for in our indemnities, the editorial goes on to say:

> Even more open to question is the proposal for senators also receiving an increase in their indemnities which, with the $2,000 taxable allowance, will bring their annual pay to $10,000. They do not have to go to the expense of fighting elections. Their less onerous duties keep them sitting only a portion of the time that the House of Commons requires. Generally speaking, a senatorial appointment is a help and not a handicap to senators in carrying on their private affairs.

The arguments that have been advanced with such power and eloquence in support of our increases certainly do not apply to the adoption of a similar rate for the other place. As the Leader of the Opposition has said, much is said of the British system, but members of the House of Lords receive no

indemnities. It is for that reason the Regina *Leader-Post* ended this editorial by saying:

There is, however, merit in the proposal that it be placed before a parliamentary committee for thorough consideration instead of being railroaded through parliament.

This is the comment of a Liberal newspaper which, while disagreeing with the question of a royal commission, supports in general the stand taken by my leader. Give public opinion a chance. A few days ago the pension privileges would not have been dealt with had strong opposition not been taken by us on this side of the house. Public opinion was aroused. A few nights ago the Prime Minister would give almost no consideration to the question. Then public opinion was aroused, and public opinion still rules in this country.

I say to you, sir, that even now the setting up of a committee such as is suggested in that editorial would give an opportunity for the Canadian people to speak. This time parliamentary action is so far ahead of public opinion that it has never been equalled during the period I have been here. In other words in a matter such as this we hasten, but when other questions come before the house the answer is so often that we must wait for public opinion.

Certainly the arguments that were made as to the detrimental effect upon the high standard of the House of Commons if there is no increase in indemnity have no application to the other place. I suggest once more a reconsideration of the proposition advanced by the Leader of the Opposition, which at least would give public opinion an opportunity to be heard. The public would have an opportunity of voicing its disapproval, as the public's disapproval was voiced when it was generally understood that the pension act was not to be amended.

Amendment (Mr. Knowles) negatived: Yeas, 20; nays, 122.

Mr. Hansell: Yesterday when the leader of this group was speaking to this measure he stated that when the proper time came he would propose an amendment, and indicated what kind of amendment this would be. It appears that the time has now arrived, and that the amendment can be moved on this section of the bill. We are sorry the leader of this group is unable to be here this evening, having another rather important speaking engagement.

I confess that I was somewhat disturbed and I am still somewhat disturbed, as I think all must be, when members oppose a measure of this kind, which they may think is unpopular, yet at the same time accept the advantages of the legislation. This leads me to say that I do not know whether it is popular or unpopular. I can only go by the correspondence I have personally received; and I stated when I spoke on the resolution that my correspondence would indicate that there was not too great opposition to it.

If there is any unpopularity in the country in reference to the measure, those who favour it would take the chance of being unpopular; yet those who may oppose it, thinking they will become popular, are in a position where they can take advantage of it at the expense of those who are in favour of it. That disturbs me.

The hon. member for Yorkton in his speech a few moments ago stated that the cost of living had risen in this country and that there were many people, particularly those on pensions and receiving other social service benefits, who found it extremely hard to get through. I know that. We all know that. And as I said before, if it were a choice between our receiving this increase and that part of the population receiving an additional amount, then I think we would all oppose it, and we would let them have it.

But that is not the case. It is not going to make any difference to them whatsoever. The hon. member for Yorkton on that basis said that it was morally wrong to adopt it. Let me say to him that in my opinion it is morally wrong to oppose it, and then accept it. One hon. member this afternoon, referring to the measure brought down some years ago granting a tax-free allowance, said that when asked if he would accept it he said he would, for the simple reason that it became law, and that he had a perfect right to what was law. I am not going to argue that point at all; I think perhaps he is right there. And I would not say anyone would hide behind the law; I do not think they would.

But I believe there is a way of expressing this in law so that members can refuse to take the additional amount, and yet be within the law. If this measure goes through, as in all probability it will, those who oppose it can use the same argument: "Well, it became law, and I am entitled to it". Yes, that is so. But it is a law which those who oppose it will be able to take advantage of. We think those who oppose the measure should be in a position to show by their actions that they conscientiously oppose it, by being within the law in their active opposition.

Therefore, Mr. Chairman, I move the following amendment:

That clause 2, section 33 (1), be amended by adding at the end thereof the following:

Except that for the sessions of the twenty-second parliament there shall be paid to every member

of the Senate and House of Commons a sessional allowance at the rate of four thousand dollars per annum, plus such portion of an additional four thousand dollars per annum as he may elect to apply for in writing to the treasury officer not later than thirty days after this act comes into force.

Mr. Zaplitny: Mr. Chairman, I appreciate the great levity with which this amendment is regarded in the house, and I submit that is the only way in which it could be regarded; because in the six sessions of parliament I have attended I have never heard anything so childish expressed in the form of a motion. Certainly the hon. member cannot be serious in moving such an amendment.

An hon. Member: Don't talk about it; vote against it.

Mr. Zaplitny: I submit the time will come when we will know who are the wrong-way Corrigans. I think they are all on the other side of the house.

In the first place, for those who oppose the increase in the indemnity this motion of course means nothing at all, because if we are voting against an increase, then we have already expressed our opinion as to what the law should be. Therefore this does not enter into the situation at all. For those who are in favour of the increase, however, there might be something in it, because I am sure they are going to think about it and they will change their minds before very long.

However, to speak more seriously on the matter, let me point out, sir, that if there is any logic at all behind this motion, then certainly the same argument and the same logic could be applied to every vote that we take in this house. The hon. member for Macleod prefaced his argument by saying that this measure may be unpopular. He did not know whether it was or not, but he felt that some hon. members may be opposing it because it is unpopular. That same argument could be made on every motion that is put forward in this house, and that is just the grand over-all way of imputing motives to every hon. member who votes on this motion.

In the first place, I do not believe it is the duty of any hon. member, or that it is even the privilege of any hon. member, to doubt the sincerity of any other hon. member in this house; and certainly this motion in the way it is phrased, and the speech that was made in connection with it, were designed to create doubt in the minds of people as to the sincerity of hon. members who have taken a stand on this matter.

My stand, sir, is perfectly clear. I spoke at the resolution stage. My vote is already on the record on second reading of this bill. I am opposed to this measure, and I am opposed to it as a member of this house expressing my best judgment as to what is best for this parliament and for the country as a whole; and I will not have anyone imputing motives on an occasion of this kind, trying to create any doubt in anyone's mind as to the sincerity of hon. members. I have too much respect for hon. members who are on both sides of this question to accept this kind of childish motion.

I will go this far with the hon. member for Macleod. He apparently wants to throw out a challenge. I am willing to take up the glove, and I will give him this deal. If he is willing to accept his increase for which he voted in Social Credit scrip I will be glad to take nothing at all.

Mr. Michener: It seems to me that the last hon. member who spoke misconstrued the amendment. It is an amendment which to my mind makes as much sense as most of the doctrines of the Social Credit party which I have had expounded to me in the past. It seems to me that probably we shall have difficulty in refraining from supporting this amendment. The only thing is that it will produce the odd result of having two scales of pay for hon. members, one for the government and one for the opposition, which might seem a little incongruous in all parts of the country except in those constituencies represented by Social Credit members. Of course it would be an interesting thing if we could carry this a little further, so that when it comes to tax laws only those members who vote for taxes will have to pay them.

Mr. Castleden: Mr. Chairman, since my name has been mentioned by the mover of this amendment, and since it casts some reflection on my honesty and integrity with respect to what I said, I shall be very glad to say to him here and to the rest of the house that I was elected to come to this house on an indemnity of $4,000 a session with $2,000 expenses. I expected nothing else, and if this amendment carries I shall be pleased to put my name to such a document. I throw that in the mover's teeth.

Mr. Rowe: Mr. Chairman, I have hesitated to speak in this debate. I have been in this house a long time. On many occasions I have felt that it was almost impossible for me to remain because of the smallness of the indemnity. I remember that when I entered municipal council I got $60 a year.

Mr. Sinclair: You were overpaid.

Mr. Rowe: Some of my Grit friends thought I was overpaid; but, Mr. Chairman, I am not going to review what has happened over the

years of my public service. Something more than indemnity and salary, so-called, is in issue here. I am not going to go back to the logic that prompted the Prime Minister and his government to propose and support this measure. Probably I would be misunderstood. Certainly it would not be appreciated by some of my hungry friends who I see gazing at this increased indemnity. Perhaps they were not worth more than they are now receiving.

Personally I think this law should have been amended long ago. Members of the House of Commons should receive more than they are receiving. I am very sorry for members of all parties in the house, but I am sorrier for the Conservatives than I am for those on the other side. I know what goes through the minds of hon. members. They are away from their families and their small children. They are paying taxes and insurance and all that is involved in raising a family. I have been through all that. No hon. member in the house, except the hon. member for Quebec South and the hon. member for Temiscouata and a couple of others, has been here as long as I have. We realize what the younger members have to go through. I realize now that I am probably in the twilight of my political career.

Mr. Sinclair: Hear, hear.

Mr. Rowe: The hon. member is probably in the morning of his, but the twilight will come. In fact before the hon. member reaches the twilight of his career he will be in a twilight sleep, I expect.

Mr. Knowles: You meant the morning after.

Mr. Rowe: What has been suggested by the hon. member for Macleod? There never has been a time in this house when hon. members should be good sportsmen and accept each other's point of view on this issue which involves themselves more than at this time.

Mr. Harris: That is what we thought.

Mr. Rowe: The hon. members to my left with whose doctrine I have never been in full agreement have now put forward this amendment. I was rather impressed with the leader of the party to our immediate left and his right bower who sits to his left, who are diametrically opposed to each other on this issue. It shows they must be sincere. The hon. member for Vancouver-Kingsway, to whom I rarely if ever pay a compliment—and I hesitate to do it now unless it is wrapped up in a brick or something—has evidenced a certain sincerity. He is a man who started from the grass roots of endeavour in this country, and anyone who listened to his speech—and I have listened to him on other occasions—must admit that he has shown integrity of purpose and sincerity in his expression of opinion no matter whether you agree with him or not. I must say that he spoke most sincerely, and he needs the money as badly as any of us.

The hon. member for Macleod, one of those great social reformers down to the far left, suggests tonight that we should have two social classes in this parliament. He would go further than my friends to my immediate left would venture. I do not think they will ever go that far. He would go so far as the whole communist doctrine which would say that we shall serve according to our ability and accept according to our needs. Of all the ridiculous doctrines I have ever heard this is the most ridiculous.

I do not mind telling you that I have heard people on the sideroads say that in some respects the Social Crediters have some of the sound virtues of the Conservative party. When I listened to them tonight I could realize why the Speaker sat them so far to the left. They are even farther to the left than the C.C.F. when they would suggest two social classes in this parliament. Why, these same gentlemen, Mr. Chairman, have pleaded almost with crocodile tears in this house that we must not have a means test for the old age pensions. They said, "Oh, don't make these old age pensioners ever have to take a means test." I am not so sure, speaking personally and independently of my party, that that was too sound. I am not quite that old yet. On numerous occasions I had to pass a means test, when I went to my banker in order to keep my children in university while I was serving in this house. That means test embarrassed me, as between my banker and myself. I always looked over my shoulder to see that some Grit financier was not laughing at me. My hon. friends to my left and the hon. member for Macleod would suggest that we have a means test for members of parliament.

Some hon. Members: No.

Mr. Rowe: He would establish a principle by which some of the rich grain growers of western Canada could say, "I will go to Ottawa and I will not charge the public taxpayer anything. I will go there for nothing because I will meet a lot of friends, and I might get my own out of it some way or another". That is no reflection on any hon. member here from the Prime Minister down, and including his predecessors in this parliament; for during the many years I have been here I have sat in clubs, I have sat in Conservative circles and in other gatherings and

have told people that those who believe that men come to this parliament to make money are wrong.

The Liberals have been in power during the greatest time of my regime here, and that is a compliment to them. But it is only human nature. I would not need the fingers of one hand nor even two fingers of one hand, to count the number of men who have come to the Canadian parliament in the last quarter of a century that I personally know have benefited by crooked misrepresentation or taking advantage of contracts. I say that advisedly. I know something of the regime, though I do not know it all; and I know something of how campaign funds come along. They seem to have flowed in a little more rapidly lately. I cannot keep track of them, especially when I think of my younger and more tolerant years. The present government benefited or were able to get campaign funds such as I never dreamed of, maybe because they are able to do it better than I could.

But I do want to say that I believe in the integrity of hon. members. I believe we have as fine a membership as any similar group. To my mind this House of Commons is the highest type of club we have in the Dominion of Canada.

Mr. Pouliot: Hear, hear.

Mr. Rowe: The hon. member for Temiscouata has been here for a long time and he says, "Hear, hear". I know he agrees with me.

Mr. Brooks: He is a charter member.

Mr. Rowe: He is an hon. member.

Mr. Pouliot: I agree sometimes with Dufferin-Simcoe but never with Royal.

Mr. Brooks: You are never right.

Mr. Rowe: I am not going to enlarge upon this; I simply say, do not let us for one moment make ourselves ridiculous in the eyes of the Canadian taxpayers. Do not let us make ourselves ridiculous. I want to compliment the Prime Minister. He and I have something in common because we are both in the twilight of our political careers. The only difference is that his is much more distinguished than mine.

Mr. Sinclair: Speak for yourself.

Mr. Rowe: You are young and probably in time you may assume the role you have in view in your own ambitions. The Prime Minister has contributed a great deal to the public service of Canada.

Mr. Sinclair: Another 20 years.

[Mr. Rowe.]

Mr. Rowe: Some of your friends think it may take you 30 years.

The Chairman: I wonder if the hon. member for Dufferin-Simcoe would co-operate with the Chair by addressing himself more particularly to the amendment before the committee.

An hon. Member: It is a good show.

Mr. Rowe: Mr. Chairman, I have keen respect for your judgment, but I thought that was what I was talking about. However, perhaps with your responsibilities you have not been listening as closely as the Prime Minister.

Mr. Chairman, I am not fooling on this issue. This is an important matter. This is an issue that involves the integrity and purpose of every hon. member in this house. Keep in mind that it is all very well to laugh and to propose some foolish amendment such as has been proposed, but there are those who would venture to oppose a hundred per cent increase in their salaries. Perhaps that may be needed; I know more is needed than is now being received—and I am not so sure that there are not hon. members of the other house who do not run elections.

However, as the hon. member for Dauphin has so well said, I am not so sure that those hon. gentlemen need an increased indemnity. I certainly would hesitate to be a party to paying them an increased indemnity if they did not need it, for the sake of making sure that I got an increased indemnity.

Mr. St. Laurent: That has just been disposed of.

Mr. Rowe: The right hon. Prime Minister says that has just been disposed of, but it is not disposed of in my mind. Perhaps they would support it just the same if you gave them what they earned. The taxpayers of this country have a right to be considered. This matter should be considered by a more or less independent tribunal, by a royal commission or by a committee of this house.

Some hon. Members: No.

The Chairman: Order. That matter has been disposed of. As I said, we have before us an amendment moved by the hon. member for Macleod, and I would ask the hon. member to co-operate with the Chair by addressing his remarks to the amendment.

Mr. Rowe: The amendment proposes that we establish two social classes in this house.

Some hon. Members: Oh, no.

Mr. Rowe: Oh, yes. I am satisfied that the people of Dufferin-Simcoe whom I represent would be disappointed, embarrassed

and insulted if they thought I was not worth as much as the hon. member for Macleod. I am not going to go any further. I will say that if it becomes the law of this country that hon. members of this house are to receive 100 per cent more for their services, despite the fact that I and several others have sat for weeks and weeks and weeks with representatives of labour in this country telling them that they could not have more than a 3½ per cent increase in their wages—

An hon. Member: In one year.

Mr. Rowe: In one year. If this is not in one year, why did you not do it the year before the election? This is an increase for one year. You went into the election and told everybody that everything was O.K. You told the country that you were satisfied. Yet you have raised your indemnities 100 per cent.

Mr. McCann: That was to save you getting trimmed.

Mr. Rowe: I never thought the minister was so much concerned about me any more than I was concerned about him. I am not going to enlarge upon it, except to say that as members of Her Majesty's loyal opposition we have tried to show that this matter should have been given more study. We have not opposed the principle of increased indemnities as such in order to encourage better men than you or I to enter politics and come to this house. We have not opposed that. We have not opposed the general principle; we believe there should have been an increase.

Some of those who heckle the most should understand that as far as the taxpayers of Canada are concerned they do not measure their ability by their anxiety to have a larger indemnity. Some of those who have seldom risen in the house are the most vociferous about getting a larger indemnity. They are probably the members who never made as much money at anything else in their life.

I shall conclude, Mr. Speaker, by saying that our motive should not be ill-considered. Our motives have been sound. We have pressed for a study of this problem. I will say in all fairness that this has been a difficult problem for the Prime Minister. It has been equally difficult for the Leader of the Opposition, and a difficult problem for every member of the house because it involves ourselves. We are now working on our own salaries. In doing so we give the lead to every civil servant in Canada; we give the lead to every employee in Canada; and we are giving the lead to every labour union in Canada. Even though we say that we should have lower costs of production we are increasing our indemnities 100 per cent.

If the majority overrules our efforts to have a more thorough study of this proposal, will the people agree and will the taxpayer agree that we are entitled to at least as much salary as those of you who have been civil servants? Some of you might be overpaid, and probably if the $10,000 indemnity is instituted you may see a great change and a group of better men in this parliament.

I will say in conclusion that I think it is a bold step on the part of the government, but I think it is ill-conceived, hastily planned and unwisely presented to this country. I believe the repercussions to this attempt on our part to increase our indemnities will make a sad story. I might also say to the hon. member for Macleod that with this increase in indemnity we do not wish to start a form of social distinction in this house, and I would say to him again that the people of my riding believe I am worth as much as he is.

Mr. MacInnis: Mr. Chairman, may I first thank the hon. member for Dufferin-Simcoe for his very kind words in regard to myself. I never thought I would see the day when the hon. member for Dufferin-Simcoe would express his opinion of me in that way, but he has done so and I thank him most sincerely.

This is a new and strange principle in law, but if the government wishes to accept it then it is all right with me. It is not going to hurt me one little bit. But it is strange that an amendment of this kind should be put forward by the hon. member for Macleod, who made a speech the other day pointing out that members of this house were worthy of this increase. He did not differentiate between one hon. member and another, and he included me in his list. If I were worthy of the increase the day before yesterday I am worthy of the increase today. Let me quote the words of the hon. member from Macleod as to his own attitude with regard to this matter. Speaking on January 26 he said, as reported at page 1464 of *Hansard*:

During the question period—

This was at one of his meetings.

—someone came up with this question: "Do you expect increases to come forward this session?" I knew what was in that gentleman's mind because I know him and he was no supporter of mine. So I said to him; "I do not know. All I can say is that the newspapers indicate that something of this sort will be brought forward." But I said: "I will tell you what I will do if you want me to comment on whether or not I will accept. I will comment in this fashion. When you people refuse to take an increase in your salaries and wages or

when you people refuse to take an increase in the price of your products, then I will refuse to take an increase in mine."

When the hon. member for Macleod refuses to take an increase in his indemnity then I will refuse to take an increase in mine. He should be satisfied with that. Unfortunately, Mr. Chairman, the purpose of this amendment is to cast reflection or ascribe ulterior motives to those who have opposed it.

Mr. Hansell: Oh, no.

Mr. MacInnis: But the hon. member said so. Let me quote another example of the view of the hon. member for Macleod, and then perhaps we can see whose motives are subject to question. Further down the same page he is reported as follows:

As a matter of fact it sounds big to me—

That is the amount of the increase.

—because I do know that if I were not in public life, if I were following my profession all the year round, I know I would not get anything near what I am getting now, and my expenses would be less. I am one of the fortunate ones in being here, but I have not been able to figure out how a lawyer—and I do not want to be hard on lawyers—can come down here for $6,000 a year.

Which means, in other words, that if the hon. member for Macleod could make more money than he is making here by preaching and attempting to save souls, he would not be here. That is his view on the matter, and the words are from his own mouth.

If I were not a member of this house I believe I could make a better living somewhere else. As a matter of fact I sometimes feel, like Cardinal Wolsey, that if I had served other interests as well as I have served parliament and the people of Canada it would be better for myself. But I am satisfied. I have not a complaint or worry in the world. As a matter of fact I even like the members of parliament.

I am now in my 31st year representing the people of Vancouver. For the first two years of that period I did the job without any pay at all attached to it. I was a member of the school board and I was also earning my living by working as a conductor on the street cars in Vancouver at a wage of something like 32 cents an hour. After school board meetings, which we sometimes carried on until one o'clock in the morning, I had to be up again to take my car out at five. I felt that the work I was doing was worth while. I liked the people I was working with and the cause I was working for.

But I want to tell the hon. member for Macleod that if he or anyone else thinks he is going to scare me with a piffling amendment of this kind, which only a mind such as his could adopt, or attempt to adopt, or the theories of social credit could concoct, then he is wrong. The amendment is just silly. The amendment is in your laps. Do whatever you like with it. It does not scare me one little bit.

Mr. St. Laurent: Mr. Chairman, the hon. member for Dufferin-Simcoe suggested that this whole matter was embarrassing for me and for the Leader of the Opposition. I wish to assert that I feel no embarrassment whatsoever. I shall endeavour not to cause any embarrassment by saying nothing at this time with regard to the amendment now before the committee. I will say, however, that I do not think this amendment should be accepted.

We are all here trying to enact the kind of legislation we believe will be wholesome for the parliamentary institutions of this country. I do not think the amendment would ornament the kind of legislation we want to have for the health of the parliamentary institutions of this country. It is not a matter of what I want or of what any other member of parliament wants. As far as I am concerned, it is a matter of what we think is the right thing for this chamber of elected representatives of the people of Canada. If the measure that we are recommending is unsatisfactory, it should not be passed. If it is passed, it should be passed because we consider it to be satisfactory treatment to accord to anyone who is a member of parliament.

Amendment (Mr. Hansell) negatived: Yeas, 8; nays, 148.

Clause agreed to.

On clause 3—*Repeal.*

Mr. Knowles: Before you proceed with clause 3, or perhaps it might be regarded as on clause 3, I should like to put a question to the Prime Minister. You will see in a moment, Mr. Chairman, why I raise the point at this juncture. Clause 3 of the bill provides for the repeal of sections 39 and 40 of the act. The desirability of repealing those sections is obvious in view of the change to an annual basis.

My question at this point is this. In between section 35 of the Senate and House of Commons Act which we have amended by a previous clause of this bill, and section 39 of the Senate and House of Commons Act which it is now proposed should be repealed, there is section 36 of the Senate and House of Commons Act. I made a few remarks on this question last night and I do not intend to develop them at any length at this point. However, I should like to add just one or two facts to what I stated last night. The other

day the Prime Minister pointed out that the question of the total payment made to members has been before parliament on a number of occasions. There was the statute in 1867 which set the first figure. It has been changed five times since then. This will be the sixth occasion on which the total amount paid to members of parliament has been changed since it was first established in 1867.

My point is this, Mr. Chairman. On every one of those previous occasions when a change has been made in the total amount of money paid to members of parliament, a corresponding change has been made in the amount that a member might lose per day for absence in excess of whatever period of time was considered to be permissible. For a long time now that allowable period of absence has been 15 days per session, but it has been the law of the land right back to 1867 that absence in excess of what is permitted should result in the loss of some portion of the member's total pay. Originally the deduction was only $5 per day. Since then it has been raised to $8, then to $10, $15, $25 and in 1945 to $37.50.

The question I now put to the Prime Minister is, I think, an obvious one. Why is it that on this occasion, when another change is being made in the amount of the indemnity, that corresponding change which has been made every other time seems to have been omitted?

Mr. St. Laurent: The matter was considered, and we did not come to a conclusion to make any recommendation of an amendment. However, if an amendment is suggested I do not think it should go so far as was suggested by the hon. member when he spoke on a previous occasion. Any change made in the $25 brings about an automatic change in the other deduction that is made from the expense allowance. That is why it is now $37.50 instead of being $25 as expressed in section 36.

Mr. Knowles: The other deduction is 50 per cent of whatever is provided in this section of the act.

Mr. St. Laurent: It is 50 per cent of whatever is deducted under section 36. Serious consideration was given to whether we should recommend that there be any stricter measures in order to ensure perhaps closer attendance in the house. There were many who were of the opinion that this was something that was the concern of the electors of each individual member; that when the member was away attending some function in his constituency while parliament was sitting, his electors knew that he was not present in parliament; and that there were many occasions when they felt that he was performing, as they wished him to perform them, his duties as their representative by attending functions in his constituency. Nevertheless, the principle is that there is a deduction to be made; and in fact over the years there have been many occasions—I think almost every year since I have been here—when in the supplementary estimates there was a special vote to enable payment to be made to members who, for one reason or another, had exceeded the number of absences provided for in the statute.

The conclusion we came to was that we would have to be much more careful now in recommending supplementary estimates to make up for the deductions that would be made for absences from the house. I have no personal views as to whether the figure should remain at $25. If we want to have it just about in the same proportion as it was before, I think something like $40 instead of $25 in section 36 would make it $60 over-all, and that figure would be just about in the same proportion as that in existence since confederation.

I am not going to suggest an amendment. As a matter of fact I may not do so as it is my own bill. It would not be in order for me to submit an amendment to my own bill, even if I felt so inclined. But if any hon. member feels that section 36 should be amended to provide some increase in the penalty by way of deduction for being out of the house more than 15 days during the session, I think this is the time and place when it would be appropriate to submit that kind of amendment.

I shall add also that there is in section 41 of the Senate and House of Commons Act a provision whereby the Senate or the House of Commons may respectively make regulations from time to time, by rule or by order, rendering more stringent upon its own members the provisions of this act that relate to the attendance of members or to deductions to be made from the sessional allowance. The question was raised as to whether or not there should be some daily record of the attendance of members. We felt that was not something that should be dealt with by statute. In the other place, I presume it must be by some rule made under section 41, a record is kept in *Votes and Proceedings* of the daily attendance of members.

There is a committee of members sitting with His Honour the Speaker at the present time dealing with the rules of the house. It is rather difficult to say that one should determine for the electors of a constituency how they want their representative to represent them. The matter could be dealt with by a

rule of the house providing some method whereby a record of attendance would be kept; that is something the house itself should consider. However, if the rate of deduction is to be more than $37.50, there will have to be an amendment to section 36. I believe the figure that would bring the deduction into proportion with the increase in the indemnity might be $40 instead of $25, because that would in reality amount to a deduction of $60.

Mr. Knowles: I wish to thank the Prime Minister for the manner in which he has discussed this matter, Mr. Chairman, and to say at once that I agree with him that making a final decision about what to do in this matter in committee of the whole does present some difficulties. May I say at this time, too, that our thinking is perhaps closer together than he realized. When I was suggesting a certain figure last night, namely $60 or $62.50, I was suggesting that in relation to the present $37.50. In other words I was proposing an over-all figure. I indicated that in my view perhaps the amount might be higher, but I put that forward as being proportionate to the deduction now made.

What the Prime Minister now suggests, namely that the present figure of $25 as a deduction from the indemnity might be raised to $40, has the actual effect of making the loss per day $60 because the other section increases that deduction by 50 per cent with respect to the expense allowance. I did not draft an amendment with respect to this matter. One of my friends in the party to the right tells me he attempted to draft one, but certain difficulties presented themselves to his mind as well. It does seem to me that this bill should not be rushed through, certainly not through its final stage, without some further thought being given to this matter. Since the subject has been raised, it may be that some comments will be made which might give a lead to the government, on the basis of which a section might be put into the bill before it is given third reading.

I agree with the suggestion made by the Prime Minister that the committee on rules might well take certain steps under the provisions of section 41 of the Senate and House of Commons Act to recommend more stringent regulations respecting attendance, and also with respect to keeping a record of attendance. But as the Prime Minister has just said, and I think I am quoting him correctly, if anything were to be done concerning the deductions from our pay in terms of dollars, that would have to be by way of amendment to section 36 of the Senate and House of Commons Act. It has been suggested to me that an amendment of that kind could come later, but our experience around here generally is that once a bill, particularly a bill that is such a problem as this one, has been disposed of, the government does not like to reopen it to make other amendments.

I am sure the Prime Minister will not be asking for third reading of this bill tonight, even if we get through the committee stage. After all, it received second reading today and it cannot have third reading today without unanimous consent. I would hope that he and his colleagues would consider the desirability of proposing another clause for Bill No. 171 which would go in between clause 2 and clause 3, and would have the effect of amending section 36 of the Senate and House of Commons Act. I want to say quite frankly that I believe the figure should be a lot higher than the one I suggested last night. I think it should be higher than the figure proposed by the Prime Minister, but at least I would go as far as he is going and support that figure as better than the one that now exists.

The reason I would suggest the figure being higher is that even if the total loss to a member for days absent in excess of 15 is put at $60, it is still possible for a member to be absent from the house—let us take the extreme case which I trust does not happen—a full session and receive a pretty fair remuneration. The average length of a session is around 115 sitting days. A member could be absent the whole of the 115 days, and since 15 of them are allowable he would suffer a deduction for only 100 days. Assuming he reports all those days as being absent, if the loss is $60 a day, 100 times $60 is $6,000, which would mean he could still draw $4,000 for not having attended a session at all during that year. Now, my case is hypothetical, and it is based on that number of sitting days per year. If the number of sitting days is more or less the result will vary, but I do not think the hypothesis is too far from reality.

I suggest that example merely to point out that we are not being unreasonable in suggesting a loss of $60 per day. This would be the result if the Prime Minister introduced an amendment to section 36 so that the $25 would read $40, for an additional $20 would be deducted under the later section. I am one of those who feel that other changes should be made in respect to attendance, but I am inclined to think the Prime Minister's suggestion is a good one. I believe that sort of thing can be best dealt

with in the committee on procedure. Since I am a member of that committee, I shall have the opportunity to state my views there. I do urge the Prime Minister to consider the possibility of introducing a clause amending section 36, along the lines we have discussed just now, before this bill receives third reading.

Mr. Fulton: I should like to say a word or two on this subject. I agree in general with the approach indicated by the hon. member for Winnipeg North Centre. The amount of the increase in indemnity is now a fact, so there is no point in discussing that further. It is a substantial sum that members are now to receive, and I urge upon the Prime Minister and the members of the house generally that in so far as we can do it we should ensure that the opportunities for the receipt of that amount of money by a member are made above reproach. In so far as we can do it, and only in so far as we can do it, we should eliminate the possibility that unpleasant incidents will arise where the attention of the public is drawn to the fact that so-and-so has received his remuneration as a member when, in fact, he did not attend in the House of Commons for the length of time for which, in accordance with the spirit of the act, he should have attended if he were to receive that amount of money.

I think there are ways in which that result can be accomplished. I do think we should give consideration to the question of how we can better ensure attendance in Ottawa and at the sittings of the house, in order to qualify members so they may receive indemnities. I do not mean that they have to be sitting in the chamber all day; but they would have to be here in Ottawa, where they are attending their parliamentary duties.

At the same time, while I agree that the matter can be taken care of in section 41, to which the Prime Minister referred, through having that section reviewed by the committee on procedure, I do not think it is inconsistent with what I have said with respect to tightening up the regulations when I make the suggestion that if we are going to tighten them we will have to make sure that they are reasonable, and that they conform to the obligations of a member to go back to his constituency occasionally.

I would suggest that the present allowable absence of 15 days, which is statutory, and therefore cannot be reviewed by the rules committee, should therefore be reviewed here. I believe it should be reviewed because it is a provision which has been in existence for a long time. I do not know how long, but certainly since 1927. I would assume that it was there for some considerable number of years before that.

I think I am correct when I say that the length of sessions has very considerably increased since the 15 days was stipulated. So my approach to the subject is to suggest that possibly the allowable number of days of absence should be increased to perhaps three weeks or 21 days, or whatever length of time might be felt reasonable, and that the requirements for the attendance of members on other days should be tightened up by the rules committee. But inasmuch as the allowable days of absence is statutory I would like the Prime Minister to consult with his colleagues to see whether it is reasonable to suggest that under the circumstances that length of time might be increased, particularly if we are going to take the other step—as I hope we will—of tightening up the regulation regarding attendance in Ottawa.

Mr. St. Laurent: I had heard the suggestion that it would be desirable perhaps to have this period of 15 days extended to 21 days, as the hon. member has suggested, in view of the fact that sessions normally are now longer than was the case when this period of time was fixed.

I hesitate in this connection to bring something in as a recommendation of the government. We members of the government are concerned, as members of the House of Commons, with the attendance of members, so that the business of the house can be regularly, normally and properly conducted. I think we will see if perhaps even a little more flexibility could not be provided for under section 41, so that this would be a matter which would be dealt with in the standing orders of the house, and from time to time could be reviewed by the members of the house.

I do not think it will be possible to have final disposition of the bill tonight, and when passing clause 3 perhaps it might be understood that this will not prevent us coming in with something that would come before clause 3, and we might renumber the sections.

Mr. Knowles: Then the Prime Minister and his colleagues will consider it in the meantime?

Mr. St. Laurent: The Prime Minister and his colleagues, as colleagues in the House of Commons, would consider it, taking into account the views of all members of the House of Commons as such.

Clause agreed to.

On clause 4—*Allowance to Leader of Opposition.*

Mr. Knowles: Mr. Chairman—

Some hon. Members: Oh, oh.

Mr. Knowles: If I may meet part way the wishes of hon. members, who are honouring me by shouting my first name, I would say that I do not propose moving any amendment to clause 4, but I do urge the House of Commons to vote against it.

My main reason for urging opposition to clause 4 has to do with what is provided in that part of it that amends section 43 of the Senate and House of Commons Act. I had thought of confining my opposition to this clause to that part that amends section 43 of the Senate and House of Commons Act; but in view of the remarks that have been made throughout the course of this debate by the Leader of the Opposition I am sure he will agree with me that one should not distinguish, but that one should oppose the whole clause.

After all, I am sure the present Leader of the Opposition does not want his annual allowance raised to $15,000 until the matter has been referred to a royal commission. However, it was not that part of the clause that bothered me most. I am concerned about the increases proposed for the leader of the government and the leader of the opposition in the Senate. Hon. members who have been here for a number of years will recall that back in 1947, when it was first proposed that there be any salaries at all for the two leaders in the other house—that is, salaries in addition to their indemnities as senators—we opposed that action.

I had occasion within the last day or so to look back over the debates of that occasion, debates which waxed rather warm. As a matter of fact the rules of the other house were broken a bit in that when the bill got over there they had something to say about some of the things that had been said in this house. Nevertheless we made it clear at that time, as I make it clear again now, that this is not a matter which relates to the particular persons who happen at any time to be occupying those positions. We in this group feel, however, that, our opposition to the move in 1947 having been overruled, the salaries provided for the two leaders in the other place, in addition to their indemnities, are quite adequate.

The section with regard to the indemnities for senators and members of the House of Commons has now been passed, and that amount will be $10,000 a year. The salary for the leader of the government in the other place, provided he is not in receipt of a salary under the Salaries Act—which happens to be the case at this time—is $7,000 a year at the present time. That is, if we defeat this clause the total emolument for the leader of the government in the Senate, provided that is all he is, would be $10,000 indemnity as a senator, plus $7,000 salary. The leader of the opposition in the Senate at the present time would get $10,000 indemnity and $4,000 salary.

We do not think it is necessary to increase the salary of the leader of the government in the other place from $7,000 to $10,000, making his total emolument $20,000; neither do we think it is necessary to increase the salary of the leader of the opposition in the other place from $4,000 to $6,000, thus making his total emolument $16,000. I repeat that this has no relationship to the present or any future incumbents of those positions. It has no relation to their political connections. It has no relation to the number of followers they may have. It is just as a matter of principle; and in the light of the amount of work that has to be done, bearing in mind also that persons who occupy those positions receive something more than money—they have the dignity and the honour that goes with them—I think the emoluments they will receive under the $10,000 indemnity, plus the salaries they are now receiving, are adequate. A great many people in this country will feel that they are too much.

In any case, the holders of these positions are getting an increase of $4,000 a year by virtue of the increased indemnity. I feel, particularly because of what is involved in the change in section 43 of the Senate and House of Commons Act by virtue of clause 4 of this bill, that this house should now turn down clause 4.

The Chairman: Shall the clause carry?

Mr. Drew: Mr. Chairman, since the position of Leader of the Opposition in this house has been mentioned in connection with this, I wish to make it quite clear that the observations I have made in regard to every other section apply to this section. I do not believe there is anything before us to indicate how these figures are arrived at. We are not dealing with the particular amount payable to any individual. The amounts are payable to those who occupy positions in parliament and should be regarded in that light. I oppose this section as I have opposed the other sections of this bill.

The Chairman: Shall the clause carry?

Mr. Knowles: No.

Clause agreed to: Yeas, 93; nays, 32.

The Chairman: Shall the title carry?

Mr. Harris: Mr. Chairman, I think it would be the wish of most hon. members, if not

all, to dispose of the committee stage, if possible, tonight. In view of the discussion that has just occurred between the Prime Minister and hon. members opposite who spoke of certain suggested amendments, I have at the request of the Prime Minister a suggestion to make. It is in the form of a suggestion, sir, and reads:

That clauses 3 and 4 of the bill be renumbered 4 and 5 respectively; that there be inserted then as clause 3 the following:

Section 36 is amended by substituting the word "forty" for the word "twenty-five" as it appears in the first line thereof and that the word "twenty-one" be substituted for the word "fifteen" as it appears in the other parts of the section.

—and that these amendments be properly drafted by the law clerk of the house. I should add and by way of explanation, Mr. Chairman, that it is not the intention of the government to call the bill for third reading until hon. members have had an opportunity to see the printed bill in its new form.

The Chairman: Hon. members have heard the amendment suggested by the Minister of Citizenship and Immigration. Is it agreed to?

Amendment agreed to.

Title agreed to.

Bill reported.

Salaries Act

SALARIES ACT

AMENDMENT TO INCREASE SALARIES OF MINISTERS

Right Hon. L. S. St. Laurent (Prime Minister) moved the second reading of Bill No. 172, to amend the Salaries Act.

Mr. Knowles: Ten o'clock.

Mr. St. Laurent: I move that the debate be now adjourned.

On motion of Mr. St. Laurent the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall continue this debate and then take up the amendments to the Post Office Act.

Mr. Knowles: Is not tomorrow private members' day?

Mr. Harris: I must apologize. I have a notice of motion on the order paper, and what I said is subject to that motion being carried.

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

HOUSE OF COMMONS

Wednesday, February 3, 1954

The house met at 2.30 p.m.

VACANCY

Mr. Speaker: I have the honour to inform the house that I have received communications from two members notifying me that the following vacancy has occurred in the representation, viz.:

Of Charles Delmar Coyle, Esquire, member for the electoral district of Elgin, by decease.

Accordingly I have issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

PRIVATE BILL

REFERENCE OF PETITION TO COMMITTEE ON STANDING ORDERS

Mr. John Hunter (Parkdale) moved:

That the petition for divorce of Denise Marie Helene Laporte Woodhouse presented on February 2, 1954, together with the report made thereon by the clerk of petitions on February 3, 1954, be referred to the standing committee on standing orders for such recommendations as may be deemed advisable.

Motion agreed to.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT BUSINESS ON WEDNESDAYS

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, for the Prime Minister I move:

That on Wednesday, February 3, 1954, and every Wednesday thereafter to the end of the session, government notices of motions and government orders shall have precedence over all business except the introduction of bills, questions by members and notices of motions for the production of papers.

I should say by way of explanation that this has completed private members' days, so that—

Mr. Knowles: Mr. Speaker, I rise on a point of order. Before the minister proceeds to discuss the substance of the motion I raise the point as to whether or not it is proper for this motion to be made at this time. I would call Your Honour's attention to citations 132 and 135 in Beauchesne's third edition. Citation 132 is as follows:

The proceedings of the house must be taken up in accordance with the order of business given in the order paper.

And citation 135 states:

The rule which requires a strict adherence to the order paper is absolutely necessary to prevent surprise.

The motion the Minister of Citizenship and Immigration (Mr. Harris) is seeking to move on behalf of the Prime Minister (Mr. St. Laurent) is found at page 17 of the order paper for today under the heading of government notices of motions, which is a category away at the back of today's order paper.

Today's order of business has already been provided by the rules of the house, and I submit it is not proper to bring this motion forward, ahead of its proper position, and try to move it under the order for motions. I recognize that this has been done on some previous occasions, but it must also be recognized that on some of those occasions I have objected to that course being followed.

Another reference to which I would draw Your Honour's attention is standing order 17 at page 61 of Beauchesne's third edition which reads:

17 (1) All items standing on the orders of the day (except government orders) shall be taken up according to the precedence assigned to each on the order paper.

(2) Whenever government business has precedence, government orders may be called in such sequence as the government may think fit.

It is quite clear, Mr. Speaker, that part (1) of standing order 17 gives the government leeway as to the order in which it calls its orders when the category of government orders is properly before the house. This is reinforced by part (2) of that same standing order which makes it clear that the government has that right to choose the order of its own business, but only when government business has precedence.

If notice of this motion had been given a day or two earlier so that it could have been proposed yesterday, that would have been quite proper, and the house would have considered the matter on its merits. In view of the fact that notice was not given until Monday, it comes on today's order paper in the class which I have indicated, and since this is the first time that this issue has arisen in this parliament it should be settled in the proper manner at this time.

Apart altogether from references to citations and precedents that all of us can give —and some hon. members think I am adept at doing that—it seems to me that plain

common sense makes it clear that it is unfair, the order of business for the day having been set out in the order paper, for it to be possible on that day for the government to change the day's order paper by trying to bring forward a motion of this kind. Despite the fact that on some occasions this has been done, and in my view done improperly, I submit it should not be done at this time.

Mr. Drew: Mr. Speaker, it had been my intention to raise this point but I had assumed that the Minister of Citizenship and Immigration recognized the difficulty and was about to explain how he proposed to bring this motion forward. I believe that a very important consideration is raised and that the motion cannot be heard, except by unanimous consent, at this stage of the proceedings. The list of orders is clearly set out in the order paper for today as follows:

Questions; Notices of Motions for the Production of Papers; Notices of Motions; Public Bills and Orders; Government Notices of Motions; Government Orders.

This does not come under "notices of motions". This comes under the clear definition of "government notices of motions", which is the last but one on the order paper today. Questions are set forth; motions for the production of papers are set forth; and then on page 10 we have "notices of motions", which are obviously referred to in the next item in the order of precedence. Then we have "government notices of motions", then following that "public bills and orders", and after that "government notices of motions"—that is, the heading under which this motion is now presented.

The time or the day on which this notice of motion was entered has nothing to do with the question now before us. It appears in its proper place as a government notice of motion not because of the time it was entered with the Clerk but because this is private members' day. It will be seen that in the order of precedence the questions are questions of private members; the notices of motions for the production of papers are notices of private members; the notices of motions are notices by private members; public bills and orders are public bills and orders presented by private members. Only after all the business of the private members has been dealt with do we come to government notices of motions, and under the heading "government notices of motions" on page 17 of the order paper we find one motion, and that is the one now before us.

I submit that the rules are clear, Mr. Speaker, and the practice is clear on the basis of the status of private members' business in this house and without unanimous consent this motion cannot be called for consideration until the orders appearing before it on the order paper for today have been called and dealt with.

[Mr. Knowles.]

Mr. Fulton: Mr. Speaker,—

Mr. Speaker: Order. If hon. members feel that it is necessary to carry on the debate on the point of order I will let them proceed, but I can assure hon. members that I have enough material to give a ruling.

If those hon. members who have participated in the debate have been consistent in opposing a motion of this kind being made in the manner that is being done today, I perhaps might be consistent with my predecessor's ruling on the same point. No one will deny that the government has a right to move a motion affecting the business of the house. What they are required to do is to put a notice in *Votes and Proceedings* in compliance with standing order 45, which reads:

45. 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; . . .

I checked with the Clerk and I have *Votes and Proceedings* of Monday last before me, and I see that on Monday, February 1, 1954, there stands a notice under "notices of motions and questions", as follows:

The Prime Minister—On Wednesday next—That on Wednesday, February 3, 1954, and every Wednesday thereafter to the end of the session, government notices of motions and government orders shall have precedence over all business except the introduction of bills, questions by members and notices of motions for the production of papers.

Now, so far I think that no rules have been violated.

Mr. Fulton: Would you permit, sir—

Mr. Speaker: If I may conclude, then I will hear the hon. member. Hon. members seem to question the propriety of the motion being made under "motions". The very citation that the hon. member read, citation 132, is the one that Mr. Speaker Macdonald had to deal with, when on Monday, September 4, 1950, a similar motion was moved by the Prime Minister. I am reading now from the *Journals* of that day.

A point of order was raised by Mr. Drew, that, as this motion appeared under "government notices of motions" on page 9 of the "order paper", it should not properly come forward for consideration at this time.

He developed this same argument today. Here is the ruling of Mr. Speaker Macdonald:

I may say to the Leader of the Opposition that last year I considered this same question, and it then seemed to me, as he says, that such a motion

should be considered at a later time. But under citation 132 in Beauchesne's second edition I notice the following:

"The motions allowed on routine proceedings are motions relating to the business of the house and for the discussion of reports from committees".

This motion definitely relates to the business of the house and should therefore be considered at this time. I think the misunderstanding arises from the fact that such motions generally appear under "government notices of motions". Actually, however, they are not "government notices of motions" in the usual sense.

In view of the citation which I have mentioned in Beauchesne's second edition and of the practice which has been established, I think the motion should be considered now.

Later in 1951 a similar situation arose and Mr. Speaker Macdonald ruled—and I am quoting from page 290 of the *Journals* of Monday, December 10, 1951—

Mr. Speaker ruled that, as the proposed motion dealt with the business of the house and was not a "government notice of motion" in the usual sense, it was in order at this time and that he had previously so ruled on Monday, September 4, 1950, when a similar point of order had been raised.

This I would say is a proper view of the situation. I do not think there could be any argument that would make me change my decision to accept the previous rulings of Mr. Speaker Macdonald on the point which I think are very sound.

Mr. Fulton: Mr. Speaker, a member rising after such a clear indication of Your Honour's present opinion must appear to have a certain amount of temerity; nevertheless, since you have issued a cordial invitation, may I take a moment or two to express a different view.

I start, sir, with this premise, which I would ask you to consider carefully. I think it was yesterday, or it may have been the day before, that you indicated to the house you would be prepared under certain circumstances to undertake a review of a ruling made by a previous Speaker in connection with the rights of members or leaders of parties to ask questions or to make statements after statements made by ministers.

I draw attention to that fact only to ask you, if when you are prepared to review a ruling of a former Speaker on one matter, whether you should consider also the possibility of reviewing, and if necessary revising, a ruling by a former Speaker on another matter. I say that because I admit at the outset that the ruling of Mr. Speaker Macdonald, if accepted, would be a clear precedent against the point of view I now put forward.

I admit that in fact we are asking you to review that ruling, but I submit that there are good grounds upon which that request can be made. I shall not rehearse the grounds covered by the hon. member for Winnipeg North Centre (Mr. Knowles) or by my leader, but I would ask you to consider whether the substance of the matter is not this: While routine motions may be taken up at this stage, what we have here is not a routine motion. We are now in that part of the daily proceedings, under routine proceedings, which embraces the presenting of reports by standing and select committees, and motions. Clearly a minister or a chairman of a committee can make at this time a motion which would be a routine motion. For instance, there could be a motion for the concurrence in the report of a committee presented to the house, or there could be statements on public matters.

Liberty is taken there, it is true; but by and large they are made under the heading of motions, because if the minister had wished he could make a formal or routine motion and then make his statement under that heading. I do not see how it is possible for anyone to argue that this is a routine motion. This is a motion which would upset the routine. It is a motion which seeks to change the order of proceedings.

I think I know what is in Your Honour's mind. This is a motion dealing with the routine of the house, dealing with the business of the house. I think it is straining the meaning of language to say that it is a routine motion in the sense that the word "routine" is used under routine proceedings. It is a most exceptional motion. It is made once a session at a time when the government considers it to be appropriate. It is not part of the routine business of the house or of the business of government.

It is on that part that I rest my case and ask you to reconsider Mr. Speaker Macdonald's ruling. This is a government notice of motion, it is true, but it is not a routine motion. As a government notice of motion, it can, I submit, under the rules which regulate the conduct of business on Wednesday, be moved only after routine proceedings including routine motions have been disposed of and when the order of precedence covering government notices of motions has been reached. I submit that the argument is sufficiently clear and sufficiently important to ask you to review the previous ruling which you have cited to us.

Mr. Coldwell: Mr. Speaker, may I make just one suggestion. You are asked to reconsider a former Speaker's ruling. I think that is a good suggestion. May I say that in order that you may have time to reconsider the ruling, in the light of all the circumstances, the minister should ask the house this after-

noon to give unanimous consent. I think I can say that as far as we are concerned we are prepared to do that. That would give you the opportunity of taking some time to review the question.

Mr. Speaker: Perhaps I might put the minds of hon. members at rest by saying that I gave some time to the matter before coming into the house. I considered the ruling of Mr. Speaker Macdonald and also the methods which have been followed in the past with respect to motions presented under routine motions. Motions affecting the business of the house are moved under "motions", which in turn is under routine proceedings.

I have come to the conclusion that the ruling by Mr. Speaker Macdonald was a sound one. That is why I was prepared to give it so quickly and why I had before me the authorities which I cited, namely, the two former rulings of Mr. Speaker Macdonald. Hon. members can rest assured that had I not given it my full consideration I would have been very pleased to delay consideration of it and perhaps give a ruling at a later stage. Every day before the house meets I try to do my homework.

The hon. member for Kamloops (Mr. Fulton) and other hon. members must realize that I do not feel bound by the rulings of my predecessors. I do not feel absolutely bound to accept all the rulings which have been made by my predecessors. If I find that in my opinion a ruling is not a sound one I shall be glad to consult with my experienced colleagues in the house and change the ruling if in my opinion it is not a sound one for the conduct of the affairs of the house.

I am sorry to say to those who do not accept my view that I have considered the matter and I think the ruling is sound. Rulings of a Speaker are not supposed to be debatable. I allowed the hon. member for Kamloops to speak because I invited him to do so, and I also allowed the hon. member for Rosetown-Biggar to speak. I thank them for their observations but I think we should now consider the matter settled.

Mr. Drew: Mr. Speaker, before we proceed—

Some hon. Members: Order.

Mr. Drew: —from this point—

Some hon. Members: Order.

Mr. Drew: —may I suggest to the minister that before he proceeds with his motion there is one consideration that might be borne in mind and that is that the views to be expressed may take so long this afternoon that the object he seeks to attain might not be fulfilled.

Mr. Speaker: Perhaps I should read the motion. It is moved by Mr. Harris, seconded by Mr. McCann:

> That on Wednesday, February 3, 1954, and every Wednesday thereafter to the end of the session, government notices of motions and government orders shall have precedence over all business except the introduction of bills, questions by members and notices of motions for the production of papers.

Mr. Drew: It may be too late now, but I made a suggestion in good faith which I think would have saved the time of the house. It had been my intention to appeal and I ask, with all deference, that you allow an appeal to be made, because of the strong views held that this practice is not consistent with what would be in the best interests of this house. I would hope that the fact that I had made a suggestion to the minister, whereupon your remarks came in, will not deny us the right to appeal which we certainly intended to do if the minister proposed to proceed with this motion.

Mr. Knowles: Mr. Speaker, I wonder if I might say a word—

Some hon. Members: Order.

Mr. Knowles: —on the request made by the Leader of the Opposition. In my view his request that there be an appeal comes too late although Your Honour's generosity may prompt you to consider it. I suggest to the house that if there are some of us who feel strongly about the motion itself we could have a vote on that motion rather than a vote on an appeal from your ruling. I disagree with Your Honour's ruling, but in view of the fair and generous way in which you have handled this whole matter I hope there will not be an appeal.

Mr. Speaker: The hon. member concludes his remarks by saying "I hope there will not be an appeal". On the other hand, the Leader of the Opposition (Mr. Drew) asks that there should be an appeal from my ruling.

It seems clear to me that it may not be so much the ruling that would be appealed on this occasion, but rather that the ruling would be taken as a pretext to have a vote on the merits of the resolution itself. I want to say that—

Mr. Drew: No.

Mr. Speaker: —although I could perhaps revert to the former position and say I will allow the appeal, because of certain views

being expressed to the effect that there should not be an appeal, I do not think I should allow it. It is not that I am against my rulings being appealed, although there is, as hon. members know, a distinction to be made when it comes to an appeal.

The standing order which deals with an appeal against the Speaker's ruling is two-fold. It states that when the Speaker decides on a point of order his ruling is subject to appeal, but not when he decides on a point of practice. It is my view that we are dealing much more with the practice of the house at the moment than with a point of order.

For example, hon. members will recall that when the Speaker decides that in his opinion a motion for adjournment under standing order 31 should not be allowed, his ruling is not subject to appeal. This was the view of Speakers Rhodes, Fauteux and Macdonald. They decided that when it was a question of practice and not one of order they would refuse the appeal.

I would imagine hon. members would be satisfied at this moment, now that the motion is being put, to discuss the merits of the question. That is where we now stand and I do not think I should revert to the former position.

Mr. Drew: Mr. Speaker, permit me, if I may, to place on record the fact that, with deference, I do not agree. I had asked for an appeal from your ruling and it relates not to the time but to the fact—

Mr. Speaker: The hon. member has asked too late and at this moment his remarks must be relevant to the motion which is now before the house.

Mr. Harris: Mr. Speaker, in speaking to the motion I quite realize that hon. members, particularly hon. members opposite, may feel that it is preventing them from bringing before the house during the session the motions which are on the order paper in their names; but that does not mean that they cannot discuss the particular subject on which they have given notice to the house, because I fancy there is hardly one subject that cannot be raised on the estimates at one time or another. For that reason there is not, in my opinion, a tremendous cause for concern that their opportunities are being curtailed. As a matter of fact, sir, I have been looking at the records since 1949 and I find that in that year there were 6 private members' days; in 1950 there were 9; in the special session of 1950-51 there were none; in 1951 there were 7; in the second session of that year there were none; in 1952 there were 8; in the past session there were 6; and we have had 7 so far in this session. Therefore, I feel we are not in any way departing from what has been the practice in the past.

May I add by way of information that, as hon. members know, there are about 18 bills and motions of one kind or another on the government side of the order paper. There are in various stages of preparation about 30 additional bills which will be brought before the house, and the house is quite aware of the fact that the Minister of Finance (Mr. Abbott) will be introducing amendments to the Bank Act for special consideration by the banking and commerce committee. There will be other bills of a similar nature that will go to that committee and we have a good deal of business before us now. It does seem to the government that if there is any purpose at all in meeting here in November it is that we should complete the session some time before July 1, or at some such date, as has been usual in the past.

For this reason, and bearing in mind the business which will still have to be dealt with by parliament, we are suggestiing this would be the best course to follow under the circumstances.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, we now have before us the motion which, of course, we can discuss and on which we can explain the reasons why we approve or do not approve. I do not intend to refer to any of the comments that have been made in regard to the precedure itself. I submit, Mr. Speaker, that much more is involved in this motion than is ordinarily the case.

We have been discussing in this house for some days the importance of making it possible for private members to give full and unrestrained service, and the argument which has been presented in support of the substantial increases, not only for the hon. members of this house but for others as well, is that there should be no restriction on the opportunities open to hon. members to serve in this house their constituents and the people of Canada.

There are on the order paper a number of very important motions, motions which represent the one right, the one opportunity, which many private members will have at any time to place before this house subjects they believe should be given consideration. Unless we are to receive the cynical reply

that arguments do not mean anything anyway, and that there is no use placing motions or private bills before this house—which I hope will never be said—then in that case it must be assumed that the government as well as hon. members on the other side are prepared to give consideration to motions or bills placed by private members on the order paper.

I submit, Mr. Speaker, that when so many arguments are being made in regard to the important services rendered by private members, which call for such an increase in the allowances, this is the very time when these private members who have supported these increases should stand up in this house and vote against the motion which denies private members their rights.

The issue in this motion is not an issue merely of the surrender of private members' rights this afternoon. It means the end of any regular debating day on private members' motions and bills, which it has been accorded to have been the practice for some considerable time.

The minister who has spoken in respect of this motion has said that in the last session there were 6 private members' days, and that this year there have already been 7. Mr. Speaker, the fact that the government used the axe so early last year is no argument in favour of hon. members permitting that axe to be used now when these hon. members have emphasized their own importance as private members in this house in the way they did by the vote yesterday.

I repeat that the members who should vote against the axe on private members' rights are those who by their vote have sought to place such high importance on the position of private members in this house. This is a chance for private members who believe in the rights of private members to assert their position and to say that whatever may have been the practice in the past, that will not be the practice now, when members are being provided with allowances which more adequately, at any rate, will compensate them for the time they spend here. If it should take a few days longer—and there can be no suggestion that it would be more than a few days longer, because this is only a part day—still that would be simply a slight justification for the speed with which so many members were prepared to deal with this subject already under discussion without the kind of inquiry some of us thought should be made.

Mr. Speaker, I rose to make a suggestion to the minister, and your ruling has in no way precluded my right to repeat that suggestion.

[Mr. Drew.]

There are various proposals the minister can make if, for any reason, he attaches special importance to this debate proceeding this afternoon. He can do that without passing this resolution which does away with private members' rights on Wednesday for the rest of the session. I do not want to pick out particular motions or bills without admitting immediately that all motions and bills put forward by private members deserve equal consideration. However, I will say that amongst the private members' motions which have been on the order paper for some time, and in regard to which there has been no opportunity for a debate, is that by the hon. member for Lambton West (Mr. Murphy) which appears as item No. 6 under notices of motions. That motion dealing with the extremely important subject of research and the encouragement of research has received editorial support from one side of the country to the other and from speakers not of any one political party but from those associated with business and other activities of various kinds; there has been active and vigorous support for this motion.

I submit that this is the kind of motion that private members should be permitted to bring before the house, and that it is the kind of motion the government should welcome so that they could hear arguments by men and women who have been studying a subject of this kind and as a result, out of the suggestions made, possibly formulate plans which might not otherwise have been considered.

I hope the government will not suggest to us that private members can make no useful suggestions which they themselves have not already thought of. If they were to take that position it would surely be strangely inconsistent with the arguments which have been made in support of other measures still before this house for consideration. No; the government must, in view of the argument they have been making, support the argument that they believe that private members have an important place here and that private members have much to contribute. They have been urging that private members have plenty of time to devote to the study of problems and, presumably, to the making of suggestions here in this house which will help the government. These motions, the private bills or the public bills are not put forward merely for the personal satisfaction of any individual member. They are put forward here as part of the legitimate and proper business of this house.

No matter what number of days have been permitted in the past before the axe fell, with the arguments now being made as to

the importance of private members, this is the time to change the trend and to get back to a position where private members in this house are afforded the opportunity to assist the government by placing before parliament suggestions which are in keeping with the status of members as emphasized by the Prime Minister (Mr. St. Laurent) in his remarks in this house on at least two occasions.

When the minister says that any subject matter that is on the order paper can be dealt with on a motion by way of amendment when there is a motion that Your Honour leave the chair when we are going into committee of supply, may I point out to the minister and to hon. members just what that argument implies. That argument implies that these notices of motions, public bills and orders do not really mean much anyway. It implies that this is just so much eyewash and that if anybody has anything to present to this house he might just as well wait until we are going into supply when an amendment can be presented.

Mr. Speaker, that does not meet the situation. Hon. members of this house know perfectly well that while a number of motions may be made by way of amendment as we go into supply, it is not possible to present the number of motions that would correspond to the number of notices of motions, public bills and orders that are put on the order paper of this house. If the argument of the minister means anything at all, it means that private members' proceedings are really very unimportant anyway; that, once we have gone through the motions, we had better dispose of them as soon as possible and let the government, in its might, majesty and power, proceed to steam-roller the business of the house; and that we should then just seek the crumbs that are offered by way of amendments at some later time.

Mr. Speaker, I am using words that I hope will leave no doubt about my belief that what is now being done is utterly inconsistent with every argument made in this house in support of measures that have been presented to this house, one of which was voted on yesterday. I think it would be highly desirable that the minister should not proceed with this motion. There are before us notices of motions on important subjects. There are before us notices of motions that will call for useful debate. There are public bills and orders to be dealt with. Those can be dealt with if we proceed. But, Mr. Speaker, in view of the importance that many of the hon. members attach to this issue, it might well be that we could not proceed with anything this afternoon if it were sought to press this argument that we should not have an opportunity of this kind.

I hope that no suggestion will be made that the private members have not recognized the importance of these notices of motions, public bills and orders because there have been occasions when, in the last hour of the afternoon, that whole hour has not been taken up by discussion either of notices of motions or of public bills and orders. Members of the government know perfectly well that the reason there have been occasions when the whole hour was not taken up is that there have been understandings between ministers and certain private members in whose names these motions or bills stand.

Mr. Harris: You are only referring to bills, not notices of motion.

Mr. Drew: So far as bills or notices of motions that have come up earlier in the session are concerned, there have been certain occasions when the whole hour at the end of the afternoon was not taken because there was an understanding with some members of the government that for reasons of public policy it was not desirable at that point to proceed with either the notice of motion or the bill. I do not need to identify the motions or bills because the government is well aware of those to which I refer.

I do believe that this is a subject with which we can deal in a manner that will be satisfactory to everyone. The bill that will be discussed, if this motion passes, is one presented by the Prime Minister (Mr. St. Laurent). I can well understand why members of the government would wish the Prime Minister to be here while that measure is under discussion. There is a way that can be done, namely, to treat the motion before us simply as a motion to deal with government business this afternoon and not deal with any other Wednesday hereafter. I have not been able to consult the other hon. members of my own party but I personally believe that there would be every willingness and desire to deal with this matter by way of a special procedure this afternoon, when the Prime Minister will still be here, as long as the motion is not one which ends private members' days on Wednesdays. Therefore I move, seconded by the hon. member for Dufferin-Simcoe (Mr. Rowe):

That the motion be amended by striking out the words "and every Wednesday thereafter to the end of the session."

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I shall be very brief in what I have to say. Although I am sorry the motion has been brought forward at this time, I do not think I would have anything to say if it were not for the arguments used by the Minister of Citizenship and Immigration (Mr. Harris) in support of the motion.

There is another reason I rise at this time; that is to protest the seeming impatience of private members on the government side of the house to finish the business of the house and get away from here as quickly as possible. Apparently what we did yesterday, and what I have no doubt we will finish in a few moments, has not made any difference in the world to them. All the time they spend here is spent against their will. They are impatient and everything that members on this side try to say is met with boos and jeers in an attempt to shut us off. It is time that private members on the other side of the house were set aright by someone in authority in the government.

The Minister of Citizenship and Immigration said that there was hardly an item in the name of a private member under notices of motions that could not be discussed on other occasions. If that is a valid argument, then surely it is a valid argument against having any private members' days at all. Why have any private members' days if we can discuss these matters on other occasions? There are other occasions on which we can discuss such items. One such occasion is on a motion to go into supply, but opportunities on such occasions are weighted very much in favour of the official opposition. Perhaps there should be some weight in that regard so far as the discussion of grievances and introduction of amendments on a motion to go into supply is concerned.

Take the notices of motions on the order paper today, which we would be debating if this motion were not before us. The first three items are in the names of members of the Social Credit group. I am sure that it is unlikely they would get very many chances during the session to discuss these matters on a motion to go into supply, but a notice of motion gives them an equal chance with the other parties.

The minister also said that we were going to try to finish our business so that we could get away from here some time before the first of July, or early in July. That was the old story before we were made $10,000-a-year men, before we were put on a monthly salary basis. From July to October is a period of four months, which is a pretty long vacation. That is one of the fringe benefits that members of parliament receive, but it is out of line altogether with any of the fringe benefits that trade unions get.

I believe we are setting a bad example when we ask for such a fringe benefit for ourselves. There are a great many other fringe benefits which we get, but I will not touch on them today because this is not the time to do so. I regret that I did not refer to them before. As a matter of fact some members have the fringe benefit of non-attendance and still get their indemnity, or whatever you want to call it.

For these reasons I do not think the Minister of Citizenship and Immigration has offered any valid argument for dispensing with private members' day. I realize it is desirable that the house should proceed with the business on the order paper in the Prime Minister's name, and if a request for that by unanimous consent had been made I certainly would have agreed. But that has not been done. The motion was moved, and in my opinion the minister has not supported it by any valid argument.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I do not minimize the importance of private members' days, but I must say that I was extremely disappointed the other day because I was prepared to speak on two questions that I thought were coming up. You, Mr. Speaker, called the whole list but not a private member rose to speak. As a result we reverted to government business. I know that the Leader of the Opposition (Mr. Drew) has given a partial answer for this, but I do not see how cabinet ministers can get in touch with every private member who has a resolution on the order paper. As I say, I was disappointed because I thought that private members who had such resolutions on the order paper were making light of private members' day.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I do not blame you for seeing the hon. member for Fort William (Mr. McIvor) because we always know that he is to be regarded as a one-minute man. But may I say that, according to the ethics of our procedure in the house, we of this group usually follow our friends of the C.C.F.

We are opposed to this motion, Mr. Speaker. I agree with what the hon. member for Vancouver-Kingsway (Mr. MacInnis) has said in respect of members now being on a little different basis. I do not know whether government business that is on the order paper is particularly urgent. Some of it may be. Some of it they may want to have passed at this session, so that we can wind up at the

end of May or June. But much government business is not particularly urgent for a month or two months, or even a year. And I do not see that private members should be crowded out.

Then, there is another principle that has disturbed me for many years. Are we to regard private members' resolutions and bills, and the sort of thing that we consider on private members' days, as merely formalities, merely an opportunity for us to expound as we wish on some resolution? Is that all it is? If that is all, then we might as well dispense altogether with private members' days.

The government may say, "Well, we have certain business that must be done. It is important to us." But what is introduced by private members is just as important to them as government business is to the government.

I do not believe private members' days should be withdrawn at all. However, we like to be accommodating, and if the government wishes to consult with these members in whose names notices of motions stand—and I am referring to Mr. Low, Mr. Quelch, Mr. Hahn, Mr. MacInnis, Mr. Anderson, and so on—and suggest to them that perhaps they might very well withdraw their resolutions, we would like to be as accommodating as we can. If the motion before us is one of accommodation, we are not going to stand in the way of it. But on a matter of principle, we do not believe private members' days should be withdrawn.

Mr. Knowles: I should like to speak just for a moment to the amendment.

Mr. Speaker: In order to follow the order of rotation, I believe the hon. member for Greenwood (Mr. Macdonnell) should now be permitted to speak. I will then recognize the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. J. M. Macdonnell (Greenwood): It seems to me, Mr. Speaker, that we are in danger of drifting into a very unfortunate position. As I understand it the situation is this. The Leader of the Opposition (Mr. Drew) has fully recognized the desire of the government to deal with certain business this afternoon. None of us wishes to inconvenience the Prime Minister (Mr. St. Laurent) or the government unnecessarily, and to that end the Leader of the Opposition made a proposal a short time ago which, to me at any rate, seemed constructive and co-operative. I was glad that he made it.

But it seems to me there must be two sides in co-operation, and it does appear that what is happening now is simply a case of "heads I win, tails you lose". We have made a proposal. If it is an impossible one, then surely the reasons for its being impossible might have been outlined. I did not hear them outlined; I understood they were just tacitly refused.

As I say, we wish to help. On the other hand, when I read these notices of motions—and I shall not detain the house to read them in detail, although I have looked through them—it does seem to me that many of them are matters of importance, not only to those who put them forward but to all kinds of people in Canada. And unless some sign of co-operation is shown, it seems to me we are now left—and I am putting it mildly—with precious little opportunity for these to be presented.

The leader of the house has suggested that they might be presented in bits and pieces, here and there, on other occasions, but not on the occasions which we are now asked to give up. I feel very strongly that this is an occasion where sensible men ought to be able to find a reasonable method of co-operation, and I do feel that my leader has made a suggestion which seemed to me to be a reasonable one, but which has not met with response.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to say a word on the amendment of the Leader of the Opposition (Mr. Drew) and in doing so to make a suggestion to the government which I hope will receive favourable consideration.

At the moment we have before us, in the motion and the amendment, two extremes that are quite wide apart. The motion would call for the abolition of all private members' Wednesdays, starting today, and the amendment suggested the possibility that no other private members' days be taken away, with the exception of today.

The suggestion I offer for the consideration of the government, by way of a compromise and as an alternative to the one proposed by the Leader of the Opposition, is that today be made a government day, but that private members be given, let us say, the next two Wednesdays. Maybe the government will beat me down to one, but even that would be a compromise. Someone has suggested that I have to ask for two in order to get one.

It seems to me something like that should be considered by the government. I listened with interest to the statistics adduced by the Minister of Citizenship and Immigration (Mr. Harris). I too was doing my homework before I came in here today, and I knew that those were precisely the statistics he would bring in. But what does it prove? He

states that in certain sessions we had only a certain number of private members' days. In the years when I first came here there were sessions when we did not have any private members' days at all.

But surely the situation has changed. It might be well for us to look back into the early days of our parliamentary history—away back into the last century, when private members' days continued much longer in the sessions than has been the case in the twentieth century, so far as this parliament is concerned.

I respect the Prime Minister's desire to have today as a government day. He no doubt knows I will vote against the measures that will probably be brought on if this becomes a government day. That being the case it is not my desire to facilitate the bringing on of those measures. On the other hand I respect his desire to have those measures dealt with while he is still here. They stand in his name, and there is a certain amount of responsibility that goes with them. It appears to me that he does not want to go off on his world tour leaving to someone else the responsibility of piloting his legislation through the House of Commons, particularly because of the nature of it.

Therefore because I respect the Prime Minister's sense of responsibility in connection with these bills, even though I am opposed to them, I for one am prepared to accommodate the government so that this would be a government day. However, I do ask that the government consider letting us have another couple of Wednesdays as private members' days.

At the moment I am not saying how I will vote on the amendment offered by the Leader of the Opposition, because I hope that my conciliatory proposal might lead to a suggestion from the government side which would be generally acceptable to the house.

Mr. Harris: Mr. Speaker—

Mr. Diefenbaker: Is the minister going to close the debate?

Mr. Harris: No, I am speaking on the amendment.

Mr. Speaker: A suggestion has been made by the hon. member for Winnipeg North Centre (Mr. Knowles) and I imagine the house would be interested to find out whether or not the government is accepting the proposal.

Mr. Harris: In any event I would not be closing the debate. Before I say anything about the proposal made by both the Leader of the Opposition and the hon. member for Winnipeg North Centre, may I just briefly comment on some parts of the speech of the Leader of the Opposition.

Mr. Drew: Mr. Speaker, on a point of privilege—

Mr. Speaker: The Leader of the Opposition would be right in raising his point of order because the minister cannot speak twice on this motion.

Mr. Knowles: There is an amendment before the house.

Mr. Speaker: Yes; I am sorry. The hon. member for Winnipeg North Centre has just brought to my attention the fact that the minister would be now speaking to the amendment and therefore has the right to speak. I am sorry; I wish to apologize.

Mr. Harris: In any event, my comments are not going to be controversial, I hope. But the Leader of the Opposition did, I think, unwittingly, I am sure, leave the impression that the government had in some way taken advantage at this time of those hon. members who had made other arrangements on bills by allowing them to stand in the past. In other words, because of the action of hon. members in making accommodations—

Mr. Drew: Mr. Speaker, I do not want to interrupt, but if the minister will recall, I made it quite clear that I was not suggesting the government took an advantage but I was anticipating the argument which was actually presented that hon. members have not taken advantage of some time which was available in those hours at the end of the day. I was merely pointing out that the reason it had not been occupied was that different arrangements had been made. I was not suggesting that any advantage had been taken. I happen to know what the arrangements were and I think they were entirely right. One of them was with the Minister of Labour. The subjects were very important and there were very important reasons why the debate should not proceed on the subject matter about which there was an agreement.

Mr. Harris: That is precisely what I was going on to say, Mr. Speaker. The Leader of the Opposition apparently is not aware of the fact that notices of motions do not get called between five and six o'clock on either Tuesday or Friday, and that the arrangements that he is speaking about were arrangements for bills which are not being affected by this motion in any form. It is only the notices of motions which are not going to be called as a result of this, and the orders—

Mr. Fulton: Bills could come on quite readily on Wednesday.

Mr. Harris: Quite so. That is another matter.

Mr. Drew: They could and probably would come on today.

Mr. Harris: However, that is a matter of detail. I want to be sure that the house does not get the impression that we have in any way violated any of the understandings that have been made in the past, or by the presentation of this motion.

In view of the suggestions that have been made, Mr. Speaker, the government is prepared to withdraw the motion at this time and present it again to take effect two weeks from today. In other words, this would continue as a private members' day; next Wednesday would also be a private members' day; but sometime in the interval we would present the motion again so that two weeks from today would become a government day, should the motion carry.

Mr. Speaker: Is that agreeable?

Some hon. Members: Agreed.

Mr. Speaker: In these circumstances, does the Leader of the Opposition withdraw his amendment?

Mr. Drew: In these circumstances I readily withdraw the amendment.

Mr. Speaker: Has the hon. member leave to withdraw?

Some hon. Members: Agreed.

Amendment withdrawn.

Mr. Speaker: Shall the motion carry?

Mr. Drew: No.

Mr. Speaker: The minister wishes to withdraw the motion as well?

Mr. Harris: Yes.

Mr. Speaker: Has the minister leave to withdraw the motion?

Some hon. Members: Agreed.

Motion withdrawn.

CRIMINAL CODE

JOINT COMMITTEE—APPOINTMENT OF MEMBERS TO ACT ON BEHALF OF COMMONS

Mr. W. G. Weir (Portage-Neepawa) moved:

*That the following members be appointed to act on the joint committee of the Senate and the House of Commons as provided in the motion of the Minister of Justice, passed by this house on January 12, 1954, having to do with a revision of the Criminal Code: Messrs. Boisvert, Brown (Essex West), Brown (Brantford), Cameron (High Park), Decore, Dupuis, Fairey, Fulton, Garson, Lusby, Mitchell (London), Montgomery, Murphy (Westmorland), Shaw, Thatcher, Valois and Winch; and

That a message be sent to the Senate to inform Their Honours that the foregoing members have been appointed to act on behalf of the Commons on the said joint committee of both houses.

Motion agreed to.

NATIONAL DEFENCE

COLLAPSE OF NAVAL BUILDING AT HALIFAX

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Since this is the period in our proceedings when ministers are in the habit of making statements, may I ask whether the Associate Minister of National Defence can give the house any information concerning the cause of and losses connected with the collapse of the new naval building at Halifax?

Mr. Speaker: Order. Hon. members will realize that today we will not reach that period where they may ask oral questions of the ministers. The hon. member for Esquimalt-Saanich has indicated that perhaps under motions where ministers make statements he might get an answer to his question. I think it would be establishing a very bad precedent. I do not think the hon. member wishes me to allow his question to stand.

QUESTIONS

GRAIN DELIVERIES

Mr. Argue:

1. What was the total quantity of deliverable wheat, oats and barley under the three-bushel quota, for the crop year 1953-54?

2. How much grain was delivered under the quota as at December 31, 1953?

3. How much wheat, oats and barley were delivered against quotas as at December 31, in the crop years 1951-1952, 1952-1953, 1953-1954?

Mr. Howe (Port Arthur):

1. Approximately 246 million bushels.

2. Owing to concurrent quotas and special authorizations for the delivery of malting barley and limited quantities of oats, it is impossible to state specifically the quantities of grain delivered under the three-bushel quota. Likewise, producers for reasons of their own may not have taken full advantage of the quota. Deliveries of wheat, oats and barley under all quotas and special authorizations to December 31, 1953 were approximately 291 million bushels. This compares with total deliveries of approximately 340 million bushels of all grains between August 1, 1953 and December 1, 1953, including Durum wheat, rye and flax, and including those grains delivered under the open quotas which prevailed from August 1 to August 15, 1953. This total would include approximately 165 million bushels of wheat (except Durum) delivered under the three-bushel quota from

*See also page 2074.

August 17 to December 12, 1953 at which time the initial three-bushel quota was increased to 5 bushels per specified acre.

3. Open quotas prevailed at various times for different grades and grains and at a number of different marketing points prior to December 31, 1951. Total deliveries of all grains under both restricted and open quotas amounted to approximately 340 million bushels from August 1 to December 31, 1951.

Approximately 364 million bushels as at December 31, 1952. Total deliveries of all grains under both restricted and open quotas amounted to approximately 395 million bushels from August 1 to December 31, 1952.

Approximately 291 million bushels as at December 31, 1953. Total deliveries of all grains under both restricted and open quotas amounted to approximately 340 million bushels from August 1 to December 31, 1953.

GOVERNMENT COMMUNICATIONS, B.C.—PHYSICAL ASSETS

Mr. Fulton:

1. Was a survey made of the physical assets of the government telegraph and telephone system in British Columbia and the Yukon to determine its value in connection with the sale now proposed?
2. If so, when and by whom?
3. What values were arrived at as a result of such survey and on what accounting principle is the valuation based?

Mr. Chevrier:

1. Yes, exclusive of the Yukon where government telegraph and telephone service operations ceased in 1952.

2. (a) 1952. (b) Department of Transport, Canadian National Telegraphs, British Columbia Telephone Company.

3. (a) Department of Transport, $4,436,556; Canadian National Telegraphs, $3,776,346; British Columbia Telephone Company, $2,357,298. The telephone company's valuation covers a portion of the system only. (b) The valuation was based on the appraised replacement cost of the system depreciated as of June, 1952.

R.C.M.P., REGINA—BUTTER AND MARGARINE

Mr. Diefenbaker:

How many pounds of (a) butter; (b) margarine, have been purchased for use in the Royal Canadian Mounted Police barracks in Regina, month by month since the 1st of January, 1953?

Mr. Garson: I should like to answer this question orally. The provisioning of messes in Regina and the selection of individual items of food is a joint responsibility of the mess committees, elected by dining members of the Royal Canadian Mounted Police, and a dietitian. Food purchases are paid for from mess funds. Based on the average cost of meals, a rate is struck from time to time and the mess funds are reimbursed from public funds. In turn, members taking meals in messes are charged a standard rate which applies generally throughout the country, and the amounts involved are stopped from pay and deposited as a refund to consolidated revenue.

Under these circumstances, I wonder whether my hon. friend wishes to press his question about the statistics that he requires?

Mr. Diefenbaker: In view of the fact that the purchases are paid for with government funds furnished by the people of Canada, this information should be available. Certainly we should know whether or not margarine is being purchased for use there when we have so much dairy butter on hand.

Mr. Speaker: The question is answered?

Some hon. Members: No.

Mr. Speaker: Does the question stand or is it to be considered as answered?

Some hon. Members: Stand.

Mr. Speaker: Stand.

UNEMPLOYMENT INSURANCE

Mr. Hodgson:

What number of persons were being paid unemployment insurance, on (a) December 31, 1952; (b) December 31, 1953?

Mr. Gregg: The number of persons who were paid unemployment insurance benefits during the last week of December, 1952—164,000 and during the same period for December, 1953—218,000.

FUR IMPORTS FROM RUSSIA

Mr. Diefenbaker:

What is the value of fur imports from U.S.S.R., in each of the years 1953 and 1954 to date?

Mr. Howe (Port Arthur): Imports from U.S.S.R. of raw furs during the ten months' period ended October 31, 1953 (latest figures available) were as follows:

Persian lamb, undressed	$319,521
Mink, undressed	14,221
Squirrel, undressed	71,291
Fur skins, undressed, n.o.p.	342,066
Total	747,099

WHEAT QUOTA DELIVERIES

Mr. Argue:

1. At how many marketing points was the three-bushel quota fully delivered as at December 31, 1953, and as at the latest date available?

2. At how many marketing points was the three-bushel quota not fully delivered as at December 31, 1953, and as at the latest date available?

Mr. Howe (Port Arthur):

1. According to the records of the Canadian wheat board and as accurately as can be determined, space was provided for full delivery of the three-bushel quota at 2,002 marketing points as at December 31, 1953 and 2,058 marketing points as at January 23, 1954.

2. According to the records of the Canadian wheat board and as accurately as can be determined, space was still required to be provided for full delivery of the three-bushel quota at 68 marketing points as at December 31, 1953 and at 12 marketing points as at January 23, 1954.

TRANS-CANADA HIGHWAY

Mr. Hodgson:

1. What total mileage of road has been built and completed on the trans-Canada highway in each province during each of the years 1951, 1952 and 1953?

2. How many miles have been built and 100 per cent paid for by the dominion government?

3. How many miles are paved?

4. What is the total mileage under construction by the provinces?

5. What is the total cost to date to the dominion government?

Mr. Bourget:

1. Equivalent mileage completed (paved):

Province	Fiscal Year 1950–51	1951–52	1952–53	1953–54	Total
Newfoundland	....	....	....	....	....
Prince Edward Island	....	1·8	23·5	8·0	33·3
Nova Scotia	....	....	....	....	....
New Brunswick	....	9·0	24·1	12·5	45·6
Ontario	46·2	69·7	34·7	97·7	248·3
Manitoba	28·6	27·7	17·2	22·1	95·6
Saskatchewan	....	42·9	50·4	72·3	165·6
Alberta	....	13·3	38·0	58·0	109·3
British Columbia	34·2	27·2	20·0	18·1	99·5
Total	109·0	191·6	207·9	288·7	797·2

2. Under the Trans-Canada Highway Act the federal government pays 100 per cent of the cost of that portion of the highway in national parks. Otherwise it contributes 50 per cent of the cost of construction. No mileage in national parks has been fully completed.

3. 679·86 miles.

4.

Newfoundland	225·5
Prince Edward Island	10·6
Nova Scotia	....
New Brunswick	....
Ontario	126·1
Manitoba	22·1
Saskatchewan	115·1
Alberta	87·1
British Columbia	40·9
Total	627·4

5. $42,777,242.73 as at January 23, 1954.

QUESTIONS PASSED AS ORDERS FOR RETURNS

JUTE

Mr. White (Middlesex East):

1. From what countries does Canada secure supplies of (a) jute; (b) jute products?

2. What was the total amount, (i) by pounds, (ii) by dollars, of (a) jute; (b) jute products, imported into Canada from each of these countries during the years 1949 to 1953 inclusive?

3. In each of the years 1949 to 1954, what was (a) the amount of jute treated with a preservative; (b) the amount of untreated jute, imported from each country?

4. What was the rate of duty (a) on untreated jute; (b) on that treated with a preservative?

BURLAP

Mr. White (Middlesex East):

1. From what countries does Canada secure supplies of burlap?

2. What was the total amount (a) by pounds; (b) by dollars, of burlap imported into Canada from each of these countries, during the years 1949 to 1954 inclusive?

3. In each of the years mentioned above, what was (a) the amount of burlap treated with a preservative; (b) the amount of untreated burlap, imported from each country?

4. What was the rate of duty (a) on untreated burlap; (b) on that treated with a preservative?

INCOME TAX ACT—CONVICTIONS

Mr. Ellis:

1. How many persons in Canada have been convicted during the last ten years for any of the following offences: (a) failure to file income tax returns; (b) failure to supply information demanded by the taxation division of the Department of National Revenue; (c) fraud in cases arising out of payment or non-payment of income tax; (d) non-payment of taxes deducted and withheld at the source from payments made by others; (e) any other offences in violation of any of the provisions of the Income Tax Act?

2. What was the total amount of fines imposed following the convictions referred to under question 1?

3. How many of the convictions referred to in question 1 resulted in jail sentences?

GRAIN

ADVANCES ON GRAIN IN APPROVED FARM STORAGE

Mr. Victor Quelch (Acadia) moved:

That, in the opinion of this house, the government should take into consideration the advisability of enacting legislation at this session of parliament to provide for a system of approved farm storage under which the wheat board may make advances to farmers on grain held on the farm.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, may I with the consent of the Prime Minister (Mr. St. Laurent) and the house have a moment to offer a suggestion. I found some difficulty in understanding why the Minister of Citizenship and Immigration (Mr. Harris) did not accept the amendment which would have permitted us to proceed today with government business with the Prime Minister here and particularly the bill standing in his name.

It is possible that the minister may have felt that if that motion were passed with the amendment it would in some way interfere with the subsequent introduction of the motion in the same form. If that were the thought may I say most emphatically that I for one, and I believe I am expressing the general feeling, am willing to afford every courtesy to the Prime Minister to have the business standing in his name proceeded with. I would certainly urge unanimous consent to let us proceed, if that is the reason the minister did not feel like going ahead with the amendment. We could then proceed to deal with that bill.

Right Hon. L. S. St. Laurent (Prime Minister): I am certainly very obliged for the courtesies that are always extended to me by members of the house, but the bill

[Mr. White (Middlesex East).]

that had been announced to be taken up today if this became a government day is just an ordinary bill and should not get any special treatment in this house over any other item of public business. For that reason I do not wish to have any exception made for that particular piece of legislation because it happens to stand in my name. I do not want the impression to be held by anyone that this bill was considered to be of more importance than any other item of public business on the order paper.

It is for that reason that I felt that the fact that the view had been expressed that there had not been a reasonable amount of time devoted to private members' notices of motions, or as has been suggested by the hon. member for Winnipeg North Centre (Mr. Knowles) that there should be two more Wednesdays devoted to that business, the business on the order paper as government orders should proceed in the normal course without any special place being assigned to any item that stood in my name.

Mr. Quelch: Mr. Speaker, in moving this motion I am not advocating that farmers should be paid storage for grain stored on the farm; I am merely suggesting that loans should be made to farmers against grain that is stored on the farm. I mention that fact because there seems to be some misunderstanding in the minds of hon. members regarding what is meant by the terms of the resolution.

It is interesting to note that the subject matter of this motion has been supported by a number of western farm organizations. In order that there may be no misunderstanding on that point I should like to quote from a memorandum submitted by the interprovincial farm union council to the government in November, 1953, as follows:

We would therefore recommend that immediate consideration be given for arranging, through the Canadian wheat board, for cash advances on farm-stored grain.

The recommendation then goes into further details with regard to interest. I might point out that the interprovincial farm union council represents farm unions in British Columbia, Alberta, Saskatchewan and Manitoba. Then there is also a recommendation made by the Saskatchewan wheat pool delegates in annual meeting. I quote one recommendation as follows:

To bring into effect a plan of interim farm financing which will enable farmers unable to deliver grain at country elevators to secure cash advances against grain in store on the farm.

I find it necessary to quote from those statements by those farm organizations because I know there is an impression in the minds of some hon. members that farm organizations in western Canada are not favouring the subject matter of this resolution. No doubt that arose in part from a certain letter written to hon. members by Mr. Marler. However, I think Mr. Marler made it quite clear at the annual convention of the association in Alberta that he is not opposed to farm loans being made if the situation should arise where they were necessary. I should like to quote from an address he made to the convention as appearing in the *Alberta Wheat Pool Budget* of December, 1953, as follows:

> At the present time the federation is not asking the government to back loans on this grain but if the wheat board payments presently being distributed, deliveries which farmers are unable to make and normal credit facilities do not meet the needs of the farmers, the federation is prepared to pursue the matter.

That shows quite clearly that he has quite an open mind on the matter. If the occasion should arise when they consider that farmers do need this assistance, they would be prepared to support it.

I am going to confine my remarks on this matter to four points. First, are the grain growers of western Canada in need of this assistance? Second, is the wheat board the best agency to handle it? Third, is the present situation merely a temporary one, something that may clear up in the near future? Fourth, the need for a long-term farm production program which, if adopted, would require action of this kind.

Coming back to the first point, whether or not the farmers are in need of the type of assistance proposed by this motion, I am not suggesting for one minute that there is a crisis. I admit quite frankly that in my opinion the majority of farmers in western Canada are not in need of assistance. I am speaking mainly about Alberta; I am not in a position to speak about Saskatchewan.

The reason they are not in need of assistance is that there have been three large crops. As a result of having harvested the first two crops they have been able to build up a reserve and are able to use that reserve at the present time to meet the cost of their farm operations. But while I say that, I would also stress the fact that there are at least two groups of farmers who are not in that fortunate position and who represent a considerable number of farmers.

In the first group are those farmers who have suffered one or two crop failures in the past three years. As most hon. members from the west know, there have been some areas which have been heavily hailed during the past three years. The farmer who suffered a crop failure in 1951-52 or in 1952-53 has had to use any reserve he had in order to meet his obligation. Hence he has not those reserves available to help meet the cost of operating his farm at the present time. For that reason he is in need of more money, money that would be available if he were able to sell his whole crop.

In the second group I would place what might be called the new farmers, those who have been in operation only since the end of the second world war. Among those I would place returned soldier veterans who have settled under the Veterans Land Act. I think most hon. members are aware that the veteran who settled under that act was able to get only $6,000. He might have had $1,000 or $2,000 of his own, so at the best he would not have more than $8,000.

I think we all agree that to start farming today is quite an expensive operation. A good half-section of land will cost in the neighbourhood of $12,000, or a three-quarter section not quite so good will cost around the same amount. In order to equip that land with a modest line of machinery you would need in the neighbourhood of $8,000. So to start operations on a farm today requires a $20,000 investment.

Under the Veterans Land Act people can get only $6,000. Therefore a man is placed in the position that he has to go into debt to various institutions in order to acquire the machinery he needs for the farm and in order to increase his land holdings. Consequently, when farmers do have a good crop they have to use the return on that crop in order to repay some of their obligations, or for the purpose of investing in the farm. Men in that position are hit very hard when they suffer a crop failure or when we have a situation such as exists today, where they are not able to sell the whole of their crop.

In addition to the farmers I have mentioned we have the small businessmen who, in many of the smaller towns, act as the farmer's banker. They help to finance his farm operations; they allow him to build up a store bill; they allow him machinery repairs on time, and they allow him to charge his fuel. Consequently, when farmers are unable to sell their crops these men in many cases have to carry these debts on their books for a considerable period of time, and in some cases it puts them in a very difficult position.

On the other hand, I am not suggesting for one moment that the farmers who do not

need this assistance would apply for it. The only farmers in need of assistance would be the type I have referred to.

On the second point, as to whether or not the wheat board is the best agency to handle advances of the type I have mentioned, it is interesting to note that the interprovincial farmers' union has suggested that the wheat board would be the logical organization to handle them. There are a number of reasons why I feel the wheat board would be the best agency to handle a policy of that kind. In the first place it will be remembered that the wheat board has agents at all delivery points. At many of these delivery points there are no banks. In many cases you will find delivery points 40 and 50 miles from the nearest bank. Therefore the local elevator agent has a far better understanding and knowledge of a farmer's circumstances, the amount of crop he may have harvested, or the amount of crop he will have on his farm, than would a banker who might be 40 or 50 miles away.

Another point it is well to remember is that prior to the time we had the wheat board, it was a common practice in western Canada for the local elevator agents to make advances or loans to the farmer against grain which he had in storage in the elevator. Let us go further and suggest that these advances and loans could and should be made against grain held in storage not in the elevator but on the farm, provided it is a suitable type of storage.

I am not suggesting that loans should be made against grain piled in heaps in the fields. That might mean a substantial loss, although I understand no such loss has been suffered in the past. The reason I use the term "approved farm storage" is that if a motion of this kind were adopted then it would be the wheat board which would lay down specifically the type of granaries in which grain could be housed and on which loans could be made. It would only mean specifying the type of building which would be required to protect the grain from the elements, from livestock, and to a certain extent from theft.

The next point I would like to refer to is the fact that all commercial wheat has to be marketed under permit. Therefore the wheat board agent would be in a position to make deductions against deliveries of grain as they came in for the purpose of repayment of loans. For that reason I would point out that there would be very little danger of the wheat board suffering any loss under a proposal of this kind. There is no comparison between this proposal and the policy we had in operation a year or so ago, when loans were made against wheat standing in the fields. There was a great deal of risk in that. No one knew whether a crop standing in the fields and which had to go through the winter would ever be harvested, and many people I believe were surprised that losses were not greater. In so far as this motion is concerned I would say there is practically no danger of any loss being suffered providing the local agent exercises his right to demand that early deliveries of wheat be used for repaying loans.

In the motion I have not suggested what the amount of the loan should be. I believe that should be left to the discretion of the wheat board. I notice that in a brief submitted by the interprovincial farmers' union they suggest $1 a bushel, on 15 bushels to the acre. That in my opinion would not be altogether satisfactory because in some districts the total yield might be only 15 bushels an acre or less, and I feel that as a safeguard it would be better to say, using the figure of $1, $1 a bushel up to a certain percentage of the total yield. That would allow for any error in estimating what the total crop had yielded. Therefore instead of saying 15 bushels per acre I think it would be far better to say a certain percentage of the yield per acre.

It is interesting to note that in the United States a policy along these lines has been in operation for a number of years. I believe in the United States it is called sealed storage, but at any rate under this policy advances or loans are made against grain held on the farm in sealed storage. That matter has been brought to my attention on many occasions by farmers in western Canada, who wanted to know why if this was considered sound in the United States where the policy had been followed without causing any heavy loss, a similar policy could not be carried on in this country. I told them that personally I thought it could be carried out here, but it was a question of government policy.

On the third point I would like to pose the question whether the present situation is merely temporary, one that will disappear as soon as we have one or two crop failures. My answer to that question would be that the present situation definitely cannot be considered a temporary one, but rather a recurring one. Perhaps if we had a crop failure next year or the year after these surpluses would disappear, but it is almost just as certain that we are going to have big crops in the future; and while this congestion of today may disappear in two years it is quite possible it may recur four or five years from now.

I can recall many occasions during the past 30 years when we have had congestion at local elevators, and many occasions when farmers have not been able to sell their wheat. This is what happened when local elevator agents received two or three cars at the shipping point. The elevators would open one bin, but of course they could not mix the wheat in that bin. The elevator companies might decide to only take No. 3, with the result that those farmers who had No. 1 and No. 2 wheat and who desired to sell that wheat would have to take No. 3 grade, or not be able to sell it at all. That is what happened in western Canada every time there was congestion under a system of this kind.

Under this proposal, instead of a farmer having to sell No. 1 or No. 2 for a lower grade he would be able to get advances against his grain, and hold it until there was room in the elevator for his type of grain. That would unquestionably be of great assistance to the farmer.

Another reason I believe the present situation cannot be regarded merely as temporary is, as the hon. member for Assiniboia (Mr. Argue) pointed out some time ago, that owing to the great improvement in our farming operations a dry year will not reduce farm yield to as great an extent as in the past. If we go back 20 or 30 years, when most of us were farming with horses, we find that most of our summerfallowing was done with a plow. In those years it would be the end of July before we got through with summerfallowing. By that time there would be a heavy growth of weeds. A lot of the moisture would have been lost. When those weeds were turned over in the loose open furrow the land dried out. Unless we had an excessive amount of moisture the following year we were almost certain to have a crop failure. As a matter of fact, in circumstances of that kind a farmer would be lucky to get his seed back.

That is not the situation today. With the mechanization of farming and the utilization of large surface cultivators, the one-way disc, the rod weeder and other machines, it has been possible for a majority of farmers to get over their summerfallow early in June, thereby preventing the growth of weeds and also conserving the moisture. I therefore do not think there is as great a danger of the kind of crop failures we have had in the past. There will, of course, be short crops, but they will not be nearly as prevalent in the future as they have been in the past. There has also been a greater utilization of fertilizer.

On the other point, the need for a long-term production program, the reason I am dealing with this matter is that I feel that if a program of this sort is adopted the need for the motion I have moved will become immediately evident. We all know that successful farming today requires that a farmer produce the largest yield he can of the highest possible quality of grain. For a number of years, as a matter of fact, ever since 1945, the United Nations Organization has been urging that all those nations that are able to expand their production of food should do so. I think all members of this house will agree that the farmers have answered that challenge in a magnificent way until today, as a result of good farming operations, they have built up quite a substantial reserve of food in the form of wheat and many other commodities.

While the United Nations Organization has been urging an expansion of the production of food, unfortunately they have not, at the same time, provided the machinery for getting that surplus food to the nations that need it. Hence today we have people in many places, some holding quite responsible positions, bewailing the fact that we have built up a large surplus of wheat and suggesting that it should be sold at fire-sale prices.

Let me quote just one man as an example. I may say many times I have heard statements similar to this. In the Ottawa *Journal*, under dateline of November 18, appears a statement by Mr. H. A. Stevenson, the president of Barclays bank, speaking at the annual meeting in Montreal. The article reads in part:

> He urged every possible effort be made to dispose of Canada's balance of 800 million bushels of wheat available for export, "even if it means, as it probably will, a big sacrifice in the price".

As I say, that statement could be duplicated many times. I would say that these people cannot have it both ways. They cannot, on the one hand, urge the farmers to maintain their production of food at a high level to feed the starving masses of mankind, and then almost in the same breath suggest that, when they have accomplished that purpose, they should be prepared to make heavy sacrifices as a result of it. It seems to me that argument is entirely illogical.

I therefore feel that it is high time the government announced what is their policy in this regard. Is it the desire of the government that the farmers should produce to meet that great potential market represented by the starving people in many parts of the world, or is it the desire of the government that the farmers should limit their production

to meet the restricted market, namely that market represented by those nations that are able to pay for their imports in dollars?

I think that is an important point, and one that should be made clear to the farmers before their seeding operations start. If the first is to be the objective, then I think the farmers have a right to expect a guaranteed price. In other words they have a right to expect that the government will not allow that increased production to force the price down. On the other hand, if the farmers are to be advised to produce to satisfy the restricted market, then the farmers in this country would be fully justified in reducing their production in the same way as in the United States. During the last year the farmers there were given the option of maintaining their production at the high present level and having a drop in the support price down to, I think, 50 or 60 per cent of parity, or of restricting their acreage by 25 per cent and receiving 90 per cent of parity. I think everyone will agree that the farmers did the sensible thing. They agreed to reduce their production in order to get a satisfactory price.

I would say that if in this country the government is going to say to the farmers, "you have to produce for the restricted market, otherwise your price will be made subject to the law of supply and demand", then the only sensible thing for the farmers would be to do as was done by the farmers in the United States and reduce their production. But let me point out that we in this group are not suggesting that this is a policy that should be followed. We argue that just so long as hunger exists in any part of the world we have an obligation, along with all other nations which have the ability to maintain production at a high level, to do so in order to help feed those starving people. Otherwise the result well may be revolution.

On the other hand, until the United Nations Organization has provided the international machinery by which the surplus food can be gotten to the people who need it, it looks as though the responsibility will have to rest upon each individual government. I notice that the Minister of Agriculture (Mr. Gardiner), speaking before the FAO conference at Rome, said that in so far as Canada was concerned the government intended to carry the surplus partly in the interest of the farmers and partly in the interest of the people of all nations. That being the case, I do not think we are justified in trying to put too much of the burden upon the farmers because they have done the very thing they were asked to do.

I believe that there are ways in which we can help that situation. I do not want to get into that point too deeply because perhaps I would be getting out of order. However, I would remind the house that some years ago the Canadian Federation of Agriculture made a recommendation which was endorsed by the international federation of agricultural producers, and that based upon that recommendation, the FAO council produced a plan which was known as an international commodity clearinghouse. Unfortunately that plan was turned down.

It is interesting to note that one of the main provisions of the international commodity clearinghouse was that the currency of the importing nation would be accepted in payment for the exports of food. That is what we have been advocating in this house on various occasions, namely that we should be prepared to accept sterling in payment of our wheat sold abroad. I am satisfied that procedure would make it possible to export more of our grain to Europe and other parts of the world.

I want to stress the fact that when we advocated the acceptance of sterling, we were not advocating the acceptance of convertible sterling. If you are going to insist that it must be convertible you might just about as well insist on payment in dollars, because the intention would no doubt be to immediately convert the sterling into dollars. What we suggested was the acceptance of non-convertible sterling to be used either for the purchase of goods in those countries concerned or for investment in those countries. If that action were taken it would hasten the day of convertibility, because by investing the sterling in a country you would make it possible for the country concerned to balance its payments with other nations.

I am not going to get into that point because I realize that perhaps it might be considered outside the bounds of this motion. Nevertheless I mention it for this reason. If in the future we intend to adopt a policy of maintaining our production at a high level to help satisfy the needs of people in other countries, then the logical thing to do would be to try to build up a reserve to be held in this country in order to offset the danger of a crop failure.

If it is to be the policy to build up a substantial reserve so that in the event of a crop failure we will have food to ship to other nations, then it is only fair to say that the cost of maintaining that reserve should not be placed entirely upon the farmers. If any of that reserve has to be held on the farms because there is not room in the elevators,

then at least a system such as that proposed in the resolution could well be adopted, whereby advances could be made against such grain provided it was properly stored. If we are not going to take action of that kind it seems to me that farmers may be forced to curtail production against their will.

That has been pointed out by all the farm organizations. It has been emphasized at some length by the Canadian Federation of Agriculture, and if we do adopt a policy of reducing production then I say we are making a mockery of the principles to which we agreed at the United Nations.

We blame Russia to a large extent for our failure to achieve peace, but I do not think we can blame Russia for our failure to provide machinery by which surplus goods can be supplied to people who need them. Therefore the policy of this group is that we should maintain our production at a high level, that we should provide the machinery by which our surplus production can be made available to the people who need it, and that to the extent that any of these surpluses have to be stored on the farms advances should be made against food so stored so the farmers will not be financially embarrassed.

Mr. D. S. Harkness (Calgary North): Mr. Speaker, speaking very briefly, I should like to support this resolution. I am not going to take very much time in doing so because the major portion of my remarks in the speech from the throne debate consisted of arguments in favour of some form of assistance to farmers who are in need of cash and who are, have been and for some time to come are likely to be unable to deliver the major portion of their crop. The hon. member for Acadia (Mr. Quelch) spoke of the percentage of farmers who are in need of some assistance of the type envisaged in the resolution, and he referred to certain classes.

When this matter was the subject of debate previously the Minister of Trade and Commerce (Mr. Howe) and others expressed the opinion that the great majority of the farmers of western Canada had enjoyed quite a profitable number of years during and since the war and were not in need of any great assistance. As the hon. member for Acadia pointed out, that is true in a large proportion of cases; nevertheless a considerable percentage of the farmers of western Canada have had difficulty in their farming operations in recent years. They have had bad luck in the way of hail, drought or other misfortunes. I do not know what the percentage may be of farmers in western Canada who are not in a position to continue to finance themselves, pay their store bills, feed and clothe their families and finance their next year's farming operations without some form of loans or cash advances, but I would think it would run upwards of 25 per cent. It may be more than that, but I think that might be a fair estimate of the number of farmers who need assistance of this kind.

As was pointed out on numerous occasions before Christmas, the situation is quite bad. The amount of grain that may be delivered was initially three bushels to the acre and is now five bushels, and the minimum was of course 500 bushels for a small farm, now increased, I believe, to 1,000 bushels. Such an amount of grain does not by any means provide sufficient money for the farmer to finance himself, carry on his normal operations and put in his next year's crop. The Minister of Trade and Commerce (Mr. Howe) said not long ago that he could not indicate how soon an increase in the quota will be put into effect, but I do not think it is going to be very soon. The indications are that no increase will take place for some time, and that by the time the next crop begins to come on there will still be a great deal of grain from last year's crop remaining on the farms.

Without any question there are over 300 million bushels of wheat and hundreds of millions of bushels of oats and barley from last year's crop still in the farmers' hands which they have been unable to deliver to the elevators. With the best possible luck in selling these grains either locally in Canada for feed purposes or abroad for human consumption or for animal feeding, we are not going to be able to sell that amount of grain as far as we can foresee. In other words, when the harvesting of the crop commences next fall there is still going to be a considerable amount of last year's crop in the hands of the farmers. Therefore it looks very much as though it will not be possible to have any delivery quota in many places so far as this year's crop is concerned.

Under these circumstances I think it is absolutely essential that some measure such as is envisaged in the resolution be put into effect so that cash can be provided to farmers who need it in order to meet their current living expenses and carry on their operations.

In addition to a method of this sort, I suggested another method in the speech from the throne debate, which I am not going to revive. Guaranteed loans on the part of the government were suggested as another method. I do not need to point out to the house that the resolution does not involve

the house voting government funds for the relief of western farmers or anything along that line. The resolution reads:

> . . . the government should take into consideration the advisability of enacting legislation at this session of parliament to provide for a system of approved farm storage under which the wheat board may make advances to farmers on grain held on the farms.

In other words the money out of which loans or advances would be made would be the farmers' own money. I get quite tired of hearing certain members who come from other parts of Canada say, either in the house or in the corridors, "You are asking for another handout to the western farmers". Every time any legislation of this type is sought that cry goes up. I should like to make it quite clear that the resolution involves no demand for any handout from anybody to the western farmers. It is a matter of legislation to enable the wheat board, which is handling the farmers' own money, to use that money in a certain way to relieve distress which I think it is quite apparent is going to exist next fall in the case of a considerable number of western farmers, which exists to some extent at the present time and will certainly be very much aggravated a few months from now.

Mr. Tucker: Mr. Speaker—

Mr. Argue: Mr. Speaker, I wish to add my voice to those who have spoken in support of this measure.

Mr. Tucker: I suggest that the hon. member let the Speaker say who has the floor. He is taking it for granted that he has it.

Mr. Argue: I stood up, I did not see the hon. member, and I began to speak.

Mr. Tucker: I am not so small that I cannot be seen.

Mr. Argue: I was not looking at the hon. member. I am sure I might have seen him.

Mr. Harkness: You are not fading physically.

Mr. Deputy Speaker: The hon. member for Rosthern.

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I thought there would be no harm in my getting the floor once because we have had to listen to members opposite hour after hour repeating the same thing over and over again. I felt that for once there would be nothing out of place in somebody being heard from this side of the house. I thank you, Mr. Speaker.

[Mr. Harkness.]

I do not desire to delay the house very long on this matter. I wish to support what the hon. member for Calgary North (Mr. Harkness) has just pointed out, that in this resolution the government is asked to take action which may cost the farmers a lot of money. It is not going to cost the taxpayers much money. It is going to cost the farmers money because if handled by the wheat board the cost will be taken out of the money for which their wheat is sold.

Two years ago I was inclined to agree with the arguments of the hon. member for Acadia (Mr. Quelch), that this method of giving farmers advances on wheat stored on their farms, through the wheat board, was perhaps a very easy way of handling the problem then existing. But it has been pointed out to me since that time by many people that there are large numbers of farmers who have grave doubts whether the wheat board, which is a grain marketing organization, should be asked to handle a system under which farmers who did not want to borrow money would have to pay the losses in respect of those who did borrow, where there were losses. They think the wheat board should be kept as a grain marketing organization and not turned into one to finance farmers in western Canada.

People who took that view took the attitude that the legislation passed by the government in 1951 to guarantee loans through the banks was actually more favourable to the farmers because it guaranteed the advances, and if there were any losses they would be met by the people of the country as a whole, the taxpayers of Canada, and not by the farmers. In the event of a calamity such as we had two years ago it is pointed out that it was fair that the taxpayers should bear their fair share of the risk and the loss, rather than loading it all upon the farmers.

It is not generally realized that the cost of financing the wheat board, the cost of storing our wheat, even the cost of carrying it so it will be available when needed, is taken out of the sale price of the wheat, and is carried by the farmers themselves.

The question is as to how far we should go in loading the cost of any measure which may be desirable on the farmers themselves. I refer to a measure such as financing farmers when they cannot sell their grains. How far should we expect the government to go in shouldering part of that responsibility? So far as I am concerned, as I listened to these arguments I developed some doubt as to whether we should ask the wheat board to enter this

field. It was pointed out to me that to have a system like this would cost a great deal of money for purposes of administration. I am told that in the United States, where they have a system of this kind, the cost of administering the plan, involving inspectors who go around to make sure the grain is still in existence and that it is not deteriorating by reason of being attacked by mites and the like, is very considerable indeed. I am also told that there are great losses through grain being stolen, and disappearing. And of course under a system administered by the wheat board the farmers who were ready to get along in the ordinary way would have to help pay these administrative costs, and would also have to help pay for these losses.

I must admit I am beginning to be very doubtful of the wisdom of putting that burden upon the wheat board, because it has the job of marketing our grain and then paying out what is received from the sale. It is very doubtful if we should place further obligations upon it as a result of which it might lose money, and then people would be in a position to say, "Well, perhaps it is not as successful an organization as it should be". In this way the very existence of the wheat board might be endangered.

This is an argument which has been put forward to me by those who have opposed the measure now advocated by the hon. member for Acadia. I believe the wheat board has done such a good job in the marketing of our grain that its existence should not be threatened. It has saved our farmers hundreds of millions of dollars. I am quite satisfied that two years ago, when we had so much low-grade wheat, had that wheat been pressed upon the market, with no buyers in sight, and had there not been an organization such as the wheat board to buy and hold that wheat until it could be disposed of, the results would have been disastrous. At that time the head of the Saskatchewan wheat pool said that instead of our getting $1 for our wheat we probably would have had to sell it for around 40 cents.

I believe that in this way the wheat board at that time saved the producers of western Canada about a hundred million dollars. And I am satisfied that under present conditions, with an oversupply of wheat on hand, were it not for the co-operation between the wheat board in Canada, the commodity credit corporation in the United States, and the wheat board in Australia, enabling wheat marketing to be done in an orderly fashion, the price would have sunk to a very low level. Past history shows this to be so.

This is a matter of great concern not only to the farmers in Canada but to everybody else, because we know that the first thing leading to the great slump in the thirties was the fall in the prices of primary products. Once the primary products fell in price, farmers and other primary producers lost their purchasing power; and then of course those people who made things to sell to the primary producers were thrown out of work, and we were in the midst of a depression.

So I think anything that in any way endangers the wheat board, any extra obligation placed upon it when it is doing such valuable work not only for the farmers but for all people in Canada, should be looked at very carefully. We should ask ourselves, "Are we asking the wheat board and the farmers to finance and carry an obligation that should be carried by the country as a whole"?

Faced with these arguments, as it was the farmers' own money that was being spent I wondered about the propriety of members of parliament, who were elected to act on behalf of the country as a whole, undertaking to spend the farmers' money. That is exactly what is proposed here. If we passed this resolution and the government decided to set up a system of this kind, conceivably we could run our farmers into terrific losses. If a situation is to be developed under which there may be tremendous administrative costs, and ultimately losses, then it should be carried by the people of Canada as a whole, and not by the farmers alone.

If the farmers decide they wish to run that risk, then that is another matter. I have heard so many differing views on the question that, so far as I am concerned, I do not think I should undertake to say what I believe the farmers really want in the matter. Some say they want it, while others say that on no account do they want it. I have wondered how the government could handle this problem, when it has set up a board to handle farmers' products and everything done by that board is paid for by the farmers. I have wondered to what extent the government should decide everything, according to the decisions of parliament, when the producers who pay the shot have but a very small proportion of the representation. Is there not some other way for the government to ascertain the wishes of the farmers? If their wishes are made clear then I believe that our government, being a Liberal government, would want to carry out the wishes of the people whose money they are administering.

Mr. Blackmore: I guess we all would.

Mr. Tucker: Well, I am speaking for myself.

Mr. Blackmore: You are speaking for us, too.

Mr. Tucker: I have no doubt that other hon. members will agree with that basic idea, but I do not want to undertake to speak for them. It reminds me of the argument for responsible government. There used to be the idea abroad that people could be sent out to govern other people, and they would make wiser decisions than the people would make themselves. Well, it was found that that did not work with human beings. They wanted to have the right to run their own affairs. They might make the same decision as the irresponsible governor might make, but they would not be satisfied unless it was their decision.

In the long run, if this wheat board is going to continue to operate satisfactorily and not be subjected to attack for making some decision which a large group of producers might not agree with, some way should be found to leave the decision in the hands of the producers themselves, letting the government take the attitude: "We are handling your money; we are handling your product; we want to do exactly what you people wish". If the government could take that attitude it would put the responsibility right upon the people who may pay, and they are the people who should have the responsibility.

It would lead to this situation, Mr. Speaker. If any decision was pressed upon the government there would not be the feeling that if we got this through we would be getting something out of the government. There would be the feeling and the knowledge that if anything was decided that might cost money, they would pay it themselves. It would lead to a greater feeling of responsibility and a greater feeling that it was their board and that they should take all necessary steps to protect it. Farmers would be very alert as to the effect of any decision taken.

If the government, say in a matter like this, were prepared to leave it to the holders of permit books whether or not they wanted a system such as this set up, then they would understand that if they voted for it, it might lead to the setting up of an expensive administrative system. It might lead to tremendous losses; it might lead to the wheat board getting into difficulty on account of the propriety of losing all this money realized from the sale of grain. Then if the government could say to the farmers: "You are the ones who are going to pay for this; you are the ones who should now decide it. We are ready to handle this as you want it handled", the debate would go on amongst the farmers: Is this good, or not?

The farmers are just as anxious to have the wheat board succeed, to preserve it and have it go on and do good work in the future as it has done in the past, as anybody else. They would be very careful about asking it to do anything that in any way might endanger its sound functioning and the successful carrying on of their business.

Mr. Diefenbaker: Will the hon. member permit a question? How would he ascertain the wishes of the farmers, by referendum?

Mr. Tucker: I was coming to that. I think the idea should be adopted, in matters where the government is not going to have to spend any of the people's money, that the people who pay should decide; and as I understand it that is the basis of the resolution of the hon. member for Vegreville (Mr. Decore) asking the wheat board to deduct money to pay dues to farm organizations. There again the wheat board is being asked to do something other than market wheat, and it should be left to the farmers to decide whether they want it to go into that field of activity. The farmers should decide. If it were left to them they would be very careful to make the decision they thought was in the best interests of the wheat board.

I suggest to the hon. member who moved this resolution that it would have been much better to suggest to the house that we approve the idea of asking parliament to ask the government to consider the advisability of empowering the wheat board to conduct a mail ballot of the grain producers holding permits to ascertain the wishes of such producers in regard to setting up a system such as this, or in regard to paying farm storage, where the same argument would apply. Many believe that to pay for farm storage when grain cannot be delivered is a good thing. I think it is a good thing to pay for farm storage when the wheat board is not ready to take the grain, provided the board is given the right to stop paying it when they want the grain delivered. Those who disagree say it would mean that the small farmer would be paying tremendous storage charges to the big farmer and it would work out unfairly in many other ways. Again I ask; why not leave it to the farmers to decide these things? Let them debate it and decide it among themselves, and then give their views to the government.

I am quite aware of the fact that farm organizations at times think they know for sure what the wishes of the farmers are in such matters. Perhaps they do; but we have recognized, by having a system of secret

ballot, that the sure way of finding out what people want is to let them cast a secret vote as to what they do want. On an important matter such as this, which is perhaps a new departure in regard to the handling of our grain, it should be left to the farmers, by secret ballot, to decide what they want.

Just as an example, I might recall to the house what happened in regard to the handling of oats and barley from Manitoba by the wheat board. It was said by certain farm organizations that the farmers of Manitoba were against the wheat board handling oats and barley. Other people said the farmers were favourable to it. Nobody knew for sure what the farmers really did want. Some of us were rather alarmed when the government of Manitoba decided to hold a plebiscite on the matter, because the position then was that unless all the provinces came into the scheme the wheat board would not handle oats and barley for any of them. We wondered whether the people who said that the Manitoba farmers were against the wheat board handling oats and barley really knew what they were talking about.

You, Mr. Speaker, and hon. members will recall that when the plebiscite was held most people were astonished at the strength of the vote for the wheat board handling oats and barley. I think none of the farm leaders expected such an overwhelming vote in favour of the wheat board handling oats and barley. That was an example of the farmers having certain definite opinions and being glad to express those opinions when they got the chance.

I would ask you, Mr. Speaker, to consider how much surer the government must have felt in going ahead with that plan, when they knew that the overwhelming majority of the farmers wanted them to go into that field. There could be no doubt about farmers wanting them to go into that field, for undoubtedly an even greater proportion of the farmers of Saskatchewan and Alberta wanted them to go into that field than did the farmers of Manitoba. Therefore when the government moved it knew that it had the farmers solidly behind it in the matter.

Similarly, in regard to any of these other matters such as the recognizing of voluntary requisitions, the question of paying for farm storage and an approved system of advances by the wheat board, the government through the wheat board could take a mail ballot of the producers of grain who are going to pay, asking, "Are you favourable to this or not?" If they decide that they are favourable the government can proceed then and feel that if there is any loss the producers have definitely asked for it and they have no right to blame the government in any way. On the other hand, if the producers say "No, we do not want it", the government is not made to appear to go against the wishes of the people.

Therefore I suggest we should make sure we do what the farmers really want us to do. I do urge the government to consider this idea in regard to the activities of the wheat board. The system I am suggesting would be very useful and would be more certain to lay a solid foundation for the future successful functioning of the wheat board than any system of an advisory board or anything else that could be set up. By this means you would be getting the decision of the farmers themselves. If the farmers themselves felt they were running their own wheat board they would be behind it even stronger than ever.

I feel that the wheat board has proved such a success in putting a solid foundation under western agriculture, in introducing a measure of stability into our western farming operations, that I should like to see the most solid foundation possible put under it. I do not think a more solid foundation could possibly be put under it than to base it upon decisions which are made always in line with the wishes of the people themselves. I would ask that this be considered in regard to this resolution, along with the other suggestions I have mentioned.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like first of all to congratulate the hon. member for Acadia (Mr. Quelch) upon having proposed a resolution dealing with what I believe is a most timely question. I shall certainly not talk out the motion, because I hope it will come to a vote. I hope members of the government party will not talk out the motion but will allow the house to vote on this important question.

I was interested in hearing the remarks of the hon. member for Rosthern (Mr. Tucker). It seemed to me that during most of his remarks he failed to say whether he was for this motion or whether he was against it. I do not really know, because he left me at a loss. He stated at one point that he doubted the propriety of members of parliament discussing a matter such as this.

Mr. Tucker: On a question of privilege, I did not say that I doubted the propriety of members discussing it. I said that I doubted the propriety of our deciding how the farmers' money should be spent.

Mr. Argue: It is just about the same thing. Finally the hon. member for Rosthern got around to saying what he wanted to suggest, that parliament should ask the government

to ask the wheat board to take a referendum to see if the farmers would bear the cost involved in the proposal of the hon. member for Acadia. That is not my suggestion as to the best method of dealing with this problem.

I feel that the problem of large surpluses of grain, together with a shortage of ready cash in western Canada, is going to bring about an economic crisis for many farmers on the prairies this coming spring, even though the Minister of Trade and Commerce (Mr. Howe), the hon. member for Rosthern, or any hon. member may stand up in this house and say that the marketing situation is fine, that prices are good, that everything is all right in western Canada, that we do not need advance payments, and that we do not need to adopt some policy of getting more money into the hands of the farmers.

When I was home for the Christmas recess I made a survey of businessmen in my neighbourhood. I asked them this question: "How much have you on your books now owed to you by farmers, and how much did you have at this time a year ago?" I would say from the answers I got to that question that today the oil dealers, the implement dealers and the garage operators in that part of Saskatchewan have 50 per cent more credit on their books in their localities than they had one year ago. Many of those merchants are being put on a thirty-day credit basis. I think I would be safe in saying that most of them are being put on a one-week or ten-day credit basis.

Whether we like it or not the operation of farms in western Canada is dependent upon the farmer being able to go to his local oil dealer, his local garage operator or his local implement dealer and obtain credit with which to carry on his farming operations. A large part of that credit which normally would be available will be frozen this spring unless the government does something about it. I suggest that to ask the government to ask the wheat board to conduct a referendum among the farmers, to see whether the farmers are prepared to accept the whole burden of such a problem, is not a sound suggestion.

Representing as I do an agricultural constituency, I am quite prepared to say what my ideas are in regard to this question, and I believe I can speak for the majority of the farmers whom I represent. I do not agree with those who have said that this is not a problem facing the majority of farmers, that the need for cash is a problem facing only 25 per cent of the farmers or the few farmers who have had bad luck. I do not agree with that at all. I say that the matter of getting additional money into the pockets of farmers within the next twelve months is an important problem to the whole agricultural industry.

The Minister of Trade and Commerce quotes all kinds of figures and makes optimistic pronouncements in an attempt to overlook the real problem that exists. Whether you want to believe it or not, we have a huge surplus of grain in Canada now. We are not going to have a harvest until next August; yet compared to a year ago, as the weeks and months go by those surpluses become greater and greater. So far in this crop year our markets overseas are falling.

How many hon. members of this house realize that from August 1, 1953 until the end of December, or until January 13, the date of the latest figures available, we have lost as compared to last year 30 per cent of our overseas markets for wheat. Instead of the trend improving it is getting worse. I have here the dominion bureau of statistics figures covering Canadian exports of wheat and wheat flour, and I should like to give the comparative figures month by month.

In August, 1952, Canada exported 40 million bushels of wheat; in August, 1953, we exported 34 million bushels, or 85 per cent of the year before. In September, 1952, Canada exported 27 million bushels of wheat; in September of the present crop year we exported 22 million bushels, a drop of 5 million bushels or again 85 per cent of the previous year. In October, 1952, we exported nearly 36 million bushels of wheat; in October of this year we exported 30 million bushels of wheat. Again there was a drop of 6 million bushels or 85 per cent of the market of the previous year. Then we come to November, 1952, when Canada exported 36 million bushels of wheat. In November, 1953, we exported 24 million bushels of wheat, just two-thirds of the amount exported in the same month of the previous year. In December, 1952, Canada exported 44 million bushels of wheat; in December, 1953, Canada exported 23 million bushels of wheat. In December of this year we exported just 52 per cent of the quantity exported a year ago.

Mr. Howe (Port Arthur): Is it a lost market if the customer happens to have a large domestic crop and does not need wheat? I would point out to my hon. friend that he is comparing this year's statistics with the statistics of the biggest year we ever had, a year when there were shortages in a great many countries and when there were crop failures in a great many countries in Europe. To talk about lost markets is talking nonsense, of course.

Mr. Argue: The minister can call it nonsense when in a five-month period Canada's exports fell by 52 million bushels, but the farmers do not call that nonsense. This trend which began in August of this year has been getting worse each and every month as the months have gone by.

Mr. Howe (Port Arthur): I do not want to start an argument—I have no right to do that—but I merely wish to point out that Canada shipped a greater proportion of world wheat this year than last year. In other words, our proportion of the total wheat trade of the world this year is bigger than last year.

Mr. Argue: I am not suggesting the wheat board is not doing as good a selling job as it is possible for any organization handling wheat in Canada to do at the present time.

Mr. Howe (Port Arthur): You are talking about lost markets.

Mr. Argue: The markets are gone as compared with a year ago. That might be because of larger crops abroad, or because of greater competition from other countries, or it might be for a variety of reasons; but Canada's exports of wheat in that period dropped by 52 million bushels and farmers are noticing that loss of exports in their pocketbooks.

The minister has not yet announced the final payment for the 1952 crop. A year ago the final payment for the previous wheat crop had been made weeks before, and the minister was announcing an interim payment for the following year's crop. The wheat board has apparently not sold all of its 1952 wheat. The account has not yet been closed. In other words it will be a long time, unless some other action is taken by the government, before the wheat board can make an interim payment on 1953 wheat because the wheat board, according to its accounts, has not yet started to sell 1953 wheat. Wheat markets and wheat exports are going down at a very alarming rate.

Mr. Howe (Port Arthur): That is what the hon. member says.

Mr. Argue: Yes, I do. The minister says "No". The minister thinks that anything said about a 52 million bushel drop is nonsense. I say it is not. I say it is important. The price for wheat is satisfactory. I have no complaint—

Mr. Howe (Port Arthur): That is the only time I have ever heard my hon. friend admit anything was good.

Mr. Argue: If that is correct then I have been patterning myself after the Minister of Trade and Commerce (Mr. Howe). I have yet to hear him admit any of the many mistakes the government has made. I do not intend to advance a one-sided argument, and then ask the minister how often he thinks I am wrong. If the minister can refute these facts I am placing before the house I and other hon. members and the wheat producers of Canada will be very glad to hear from him.

Wheat prices have been reasonably satisfactory. The price of class II wheat is down, but the price of I.W.A. wheat as compared with a year ago is up. But in considering prices for wheat it should be remembered that the prices are being averaged out back to 1945. For the first time since 1945, the last time when the wheat producers had an increase in the price of wheat, the purchasing power of a bushel of wheat, according to the economics department of the University of Saskatchewan, has dropped 40 per cent. What is keeping the farmer going? What is maintaining the prosperity that has prevailed in western Canada in terms of the prices farmers have received in relation to the cost of production? Nothing but a series of greater than average crops.

What is happening to the price of barley? That is a story in itself. I am sure the wheat board is doing the very best possible job under the circumstances. I believe members of parliament are unanimous in their support of the Canadian wheat board. However, according to the weekly statistics of the Department of Trade and Commerce—and I am referring to the issue dated January 13, 1954—the wheat board's initial price for No. 1 feed barley, the most important grade of barley grain in western Canada, is 87 cents and the wheat board's selling price is 90 cents. That is a 3-cent margin. Even a marvellous organization such as the wheat board cannot operate on a 3-cent margin.

What does that mean? It means that the farmers who in the past have expected an interim payment of around 15 cents a bushel and perhaps a final payment of another 15 or 20 cents a bushel cannot hope to obtain them if these prices prevail for the rest of the year. They cannot even hope to obtain an interim payment, much less a final one. There will be little or no payment at all for barley other than the 65 or 70 cents a bushel farmers receive when they haul barley to the local elevator. I say that the loss of—

Mr. Tucker: What do you suggest the wheat board should do?

Mr. Argue: Don't worry; I will come to that and I will put my suggestion against the referendum suggested by my hon. friend.

Mr. Tucker: You do not believe in democracy, of course. I know that.

Grain

Mr. Argue: Mr. Speaker, I would ask you to rule on the interjection made by the hon. member for Rosthern, and I would ask you to request the hon. member to withdraw his statement. I think it is unparliamentary for him to say that I do not believe in democracy.

Mr. Tucker: The hon. member says he will put his idea against my idea of the referendum. Such a referendum would enable the people to decide. If he does not believe in the people deciding, he is not in favour of democracy. That is my conclusion.

Mr. Argue: I believe the hon. member should withdraw his assertion that I do not believe in democracy. I think it is an assertion that should not be made by any hon. member of any other hon. member of this house; and I would ask you, Mr. Speaker, to make a ruling on that point.

Mr. Deputy Speaker: I have taken into consideration the hon. member's point of order, but under the circumstances I do not think I can possibly rule on the matter.

Mr. Argue: Mr. Speaker, if the remark of the hon. member for Rosthern that I do not believe in democracy is parliamentary we shall have a very interesting *Hansard* of this debate today, and we shall continue the debate outside of this house among the people and the producers whom we represent.

The hon. member for Rosthern asked me what my solution to this problem is. I said I would come to it soon, and I will suggest that even the hon. member for Rosthern, if he has any judgment whatsoever—which is very doubtful—will have to admit it is very much better than his escapist solution. His is no solution at all. He talks around the question. He has great ambitions, Mr. Speaker, which are well-known to members of this house—

An hon. Member: No, he hasn't.

Mr. Argue: Well, he did have on a provincial basis, but now he has them on a federal basis. The hon. member is very envious of certain hon. members or a certain hon. member in this house, so he would not dare suggest anything to the government that really amounted to anything; so he says, "Well, now, please consider conducting a referendum amongst the producers of western Canada, because I would not dare to suggest any ideas of my own on this question."

Mr. Tucker: But, Mr. Speaker—

Mr. Deputy Speaker: May I remind hon. members that the hon. member who has the floor cannot be interrupted unless with his consent.

[Mr. Tucker.]

Mr. Tucker: But, Mr. Speaker, I rise on a question of privilege. The hon. member has said I would not dare suggest anything to the government unless I thought they would be ready to accept it. I say that what the hon. member is suggesting is quite untrue and it is known by him to be untrue, when he says that. I do not care whether he withdraws it or not, I am telling him it is untrue and he knows it to be untrue.

Mr. Argue: That statement is a good measure of the stature of the hon. member for Rosthern and explains far more adequately than I can why the hon. member for Rosthern is here instead of being the premier of the province of Saskatchewan.

As I was saying, Mr. Speaker, I believe this is a very important problem, and something will have to be done soon if the farmers and the agricultural industry are to avoid a real crisis in western Canada. The wheat market is down by 52 million bushels, and the final payment for 1952 wheat has not yet been made. The wheat board has not yet started to sell 1953 wheat. There cannot be an interim payment soon because apparently there is not one dollar in the 1953-54 wheat account. They have not yet sold any wheat for that account. The barley price is down near the wheat board's initial price. The farmers will not likely get cheques this spring for a interim payment on barley. They will not be getting soon, as they have in the past, a substantial interim payment for wheat.

Of course the government always gets around to big payments just before an election. Just before the 1949 election there was a payment on wheat of 20 cents a bushel. The supporters of the government went around western Canada saying, "Return us; from the wheat board there is going to be another substantial payment". They did not say how much. We got back here and found there was 3·8 cents a bushel in the fund.

They did not do it in quite the same way before the last election. They again provided an interim payment, but this time they took off the quotas. In the dying weeks of the election they said to the farmers, "Go a hundred miles, if you can afford it, find a truck and plug every cubic foot of space in every elevator in western Canada". They said, "We will do that in order to make it look as though there is a market for wheat and there is not going to be a problem until after the election; then we will let them know that the elevators really are plugged, that there is really not a shortage of box cars but that there is just no room at the lakehead".

When the minister answered my question the other day I think he gave me a very good reply—he caught me off base—about the opening of the navigation season; he said he could not forecast when the ice would go out. But with the terminals at Montreal and Halifax full of ships in the harbours loaded with grain, ready for the ice to go out, they will not need to hurry up—

Mr. Howe (Port Arthur): What harbours?

Mr. Argue: Montreal.

Mr. Howe (Port Arthur): There are no ships in Montreal.

Mr. Argue: The minister can say that. He has interrupted me so often, so many times, with statements that later were proved to be wrong, that I do not think that statement of his even requires a reply from me. They have put the wheat quotas on a different basis. The wheat quota now is five bushels per cultivated acre. I am willing to forecast—and no member of parliament should do so because usually we are wrong, but I am willing to take a chance—that on July 31, the end of this crop year, there will not be a wheat quota, all of which farmers can deliver, greater than eight bushels per acre. I say that on a quota of eight bushels an acre there are going to be tens of millions of bushels of wheat and other grains that farmers will not be able to market. The farmer is greatly disappointed, naturally, when the weather has been bad—

Mr. Gardiner: Just so we will understand the situation, will my hon. friend permit a question?

Mr. Argue: Yes, surely.

Mr. Gardiner: My hon. friend means eight bushels on a cultivated acreage basis?

Mr. Argue: That is exactly what I said. I said the quota now is based differently on a cultivated acreage basis. But let us go into the Regina plains and look at a farmer who is farming there; or let us go up to Melfort or Tisdale, in the area where they have the greatest yields and where they usually crop two-thirds of their acreage. An eight-bushel quota will mean about 12 bushels per seeded acre, when many of those farmers have threshed 30 bushels, 35 bushels and 45 bushels per acre, on an average basis.

Mr. Studer: They are lucky.

Mr. Argue: The quota works best down in my hon. friend's constituency of Swift Current-Maple Creek, so that when there is no crop failure you have a chance. But that kind of quota has its drawbacks for farmers who ordinarily farm smaller units because their land is more productive. Hence there is going to be just oceans of wheat on farms in western Canada this year.

I was saying that farmers feel badly, naturally, when they do not get a crop because of bad weather, drought, rust, grasshoppers, sawfly, hail or the hundred and one other things that can happen to a crop in western Canada; they feel badly about it, but they do not blame anybody. They know that next year the weather may be better and that if they go on, year after year, the weather will improve and the crops will come. But nothing angers a farmer more, in my judgment, than to have grain on the farm, and his pockets empty of money, and be unable to market any of that grain which he has on the farm. More and more farmers are coming into that kind of position all of the time.

Mr. Speaker, I think we as a nation should be mighty glad that we have such a large quantity of wheat, namely 713 million bushels, available over and above domestic requirements, for export and for carryover as of December, 1953. We should be pleased that we have those large stocks of grain at a stage in the world's history when two-thirds of humanity go to bed hungry most of the time. I say we should be doing something as a nation to see that fellow human beings in other parts of the world are properly fed. With the huge carryover of wheat looming ahead and the fact that when other nations see that this wheat will be available for export it cannot help having a deterrent effect on the price, I suggest that the government should establish a strategic reserve of wheat, let us say 300 million bushels, that could be taken out of the ordinary market channels. That reserve should be maintained for export to countries when people are hungry and starvation is rampant; and that reserve should be there in case of the drought that is bound to occur at some time in Canada's future.

I suggest that the government should finance that reserve and not the farmers, as was suggested by the hon. member for Rosthern. The government, the people of Canada, should finance this strategic reserve, which is a reserve in the arsenal of democracy for all Canadians and all the people who believe in our way of life.

I have a further suggestion as to how the benefit of that program can be brought down to the farmers on the farm. If the Minister of Trade and Commerce stands up and says the farmers do not want a loan such as that which he provided for them in 1951, I would say to him, "You are right". If the Minister of Trade and Commerce says there is no great destitution and no great hardship, in

the sense that people are going without clothes, are starving and so on, I will agree with him again. But I think a producer of food in the world in 1954 should have the right to be able to dispose of that food at a fair value. I say that by an amendment to the Canadian Wheat Board Act, the farmers of western Canada should be given the right, not to get loans—for which they go cap in hand to somebody—on grain they have in storage on their farms, but the right to sell the grain they have in storage on their farms and to keep that grain, if necessary, on the farm.

I think the machinery for that kind of program is already in existence. We have the wheat board. All over western Canada we have elevator agents—thousands of them, who are good operators, working for elevator companies, pool companies and line companies—acting as agents for the wheat board. I say the farmer should have the right to go to his local elevator agent and to say to him something like this: "Look, John, I have a 1,000-bushel bin of wheat at home. You have no room to enable you to put it in your elevator, so I want to sell it to the wheat board through you, acting as the agent. I should like you to come out, survey that granary, grade it, test it for dockage, and give me my advance payment". Then there could be a further provision that when the elevator agent ordered the grain hauled out, if there should be a shortage or overage as to amount, dockage and so on, that small variation could then be adjusted. I believe the cost of financing such a program, of making provision for farmers to sell grain on their farms, should be borne by all the people of Canada, because I believe that such a policy is in the interests of the people of this nation.

The Prime Minister (Mr. St. Laurent) is leaving tomorrow on a world tour, and I want to join with those who have wished him bon voyage. We wish him happy landings; we wish him success in his important trip; we hope that he will have a safe return to Canada and will be able to give us an interesting and valuable account of his world tour. But, with such a strategic reserve of wheat now in existence, I should like to see the Prime Minister placed in such a position by parliament that when he goes and sees the manner in which people live in the various countries of the world he visits, when he himself sees the hunger, he would be able to say to the governments of these countries that when he returned to Canada he would recommend to his colleagues and to the House of Commons that we take steps to help alleviate that hunger. If Canada would take such a lead I believe we would make a magnificent contribution to world peace, and it might go down as the greatest single act of statesmanship in 1954.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am not going to speak at length, because I do not wish to talk out this measure. I am sure the house is very anxious to hear the reaction of the minister to the resolution before us, and is also looking forward to an opportunity to vote on this most important question.

Certainly the storage problem has become very serious. There are several hundred million bushels of grain on hand today, and in view of the fact that the storage problem will be a continuing one in the days ahead it becomes necessary to consider whether or not the government should consider the advisability of enacting legislation at this session of parliament to provide for a system of approved farm storage under which the wheat board may make advances to farmers on grain held on farms.

Certainly the storage problem today is a costly one. Recently I asked a question in the house for the purpose of ascertaining what it was costing to store Canada's wheat. The answer given by the Department of Trade and Commerce was that the amount paid by the wheat board for storage of wheat from the 1st of January to the 31st of December, 1952, was $17,043,000 and that during the period from the 1st of January, 1953 to the 31st of July, 1953, the amount was $12,733,000; or, taking the entire period, over $50,000 a day. That amount is increasing and has increased at an accelerated rate during recent years, compared with the amounts paid previously.

Even on the present basis elevator companies are apparently asking for an increase in storage rates. The minister indicates that is not so, but I have a press dispatch here from Regina which reads as follows:

> J. H. Wesson, president of the Saskatchewan wheat pool, said it is essential that handling and storage charges on grain be brought into line with actual operating costs. He told the pool's annual meeting here that handling charges have changed little since 1938, but cost of labour and operating expenses have increased greatly. Under average production with lower volume, present rates would result in a deficit.

Mr. Howe (Port Arthur): There is no change in the rates this year.

Mr. Diefenbaker: The minister says there will be no change in the rates this year, but nonetheless it is apparent that there will be an endeavour shortly to obtain an increase in these rates. Certainly storage facilities have been taxed to the utmost. The plan

envisaged in the resolution before us is the only one I can conceive of which can meet the situation. I do not go as far as to say that storage should be paid on all wheat on all farms; but certainly, subject to reasonable limitations on the total amount of wheat to be stored on a farm, there should be provision for something in the nature of storage payments to be made. Certainly the problem we face is not one for a period of only a few months. Our accumulating surpluses are such that they demand either one of two things, the provision of storage facilities or, alternatively and more satisfactorily, the security of markets for our wheat.

I think the minister might well place before the house something of what is being done to secure markets. I understand that representatives are now or have been in the Far East, and also in Central America and Washington, whose purpose is to endeavour to secure markets. That is a laudable purpose. Is the minister in a position to say whether or not the price at which we hold Canadian wheat today is such as will deny us within the days and months ahead, within the next year or so, sales that otherwise might be available to us?

That brings up a suggestion on which I endeavoured to secure an answer the other day during the course of the debate on foreign affairs. It has to do with markets in the U.S.S.R. What is being done to that end? Is wheat considered a strategic material? Is the minister in a position to say anything more than he said on the 4th or 5th of January, when he was reported to have stated that larger and more extensive trade with the U.S.S.R. was being contemplated? Certainly the Canadian farmer is concerned.

The minister says we are not losing any markets. He says the fact that other countries are growing wheat in excess of their previous production, thereby denying us sales, is not to be considered as a loss of markets. What else is it? We are speaking of markets, the opportunity of selling at a reasonable price, and however that loss is caused it is nonetheless a loss of markets.

I suggest to the minister that he place before the house and country something of the nature of the negotiations that are taking place today. We read about them in the newspapers. In today's Ottawa *Journal* we read that the British Chancellor of the Exchequer said in their House of Commons that the finance ministers of the commonwealth countries have decided to take advantage of trade with the communist bloc whenever possible. He was reporting to the House of Commons yesterday on the finance ministers' conference at Sydney, Australia. He went on to say:

> It was agreed that restrictions on trade with China were stricter than those on the Soviet bloc. The finance ministers saw the advantage of extending east-west trade and decided to take advantage of it wherever possible.

Is the minister in a position to say whether, if there is going to be trade, that trade will include wheat and other agricultural products? Those are things the people of Canada want to know. Those are the larger issues that today face the Canadian people in the marketing of their wheat, and in the piling up of these surpluses which are becoming colossal in extent and which must necessarily have a detrimental effect upon prices in the days ahead.

The hon. member for Rosthern (Mr. Tucker) says, in so far as this problem of storage is concerned let us have a referendum. Well, Mr. Speaker, I do not think that meets the situation. I think members from western Canada have found everywhere in rural constituencies a demand that something be done to compensate farmers for providing suitable storage facilities for the wheat lying on the farms. If the farmer markets it, then storage is paid to the elevator companies, so the situation is no different whatsoever in so far as the final amount the farmer will receive is concerned.

Farm unions have asked that something be done along the lines of what is asked in this resolution. Certainly in those parts of western Canada—northern Saskatchewan, for instance—where there are small farms, there is a pronounced demand even today for something in the nature of loans by the wheat board on wheat in properly accredited storage bins. This debate has made it possible for the minister to give the house facts rather than roseate pictures, and I ask him when he speaks to let the country know what is being actually done in connection with the securing of markets for this surplus.

The hon. member for Assiniboia (Mr. Argue) says, let us give it away and provide assistance to underdeveloped countries. Well, that has its dangers. Today we are fearful that the United States of America is going to dump hundreds of millions of dollars worth of farm products at fire-sale prices in various parts of the world. We want a certain course followed here in order to dispose of our surplus, and at the same time we view with the greatest possible alarm the fact that the United States will do that which some hon. members so glibly advocate as a solution for our problem.

Certainly there is something to be said for elevating living standards in other parts of the world. I saw that three years ago when I was in the south Pacific. At that time I came back and advocated assistance under the Colombo plan, and I have heard about it ever since. I believe that a reasonable extension of the amount being expended under the Colombo plan—certainly a doubling of the amount that is being expended today—would not be a very heavy load for Canada to carry. That would make $50 million altogether, which would go a long way toward raising the standards in those countries to which the Colombo plan applies.

There are arguments on both sides. I know that Paul Hoffman, the American administrator, said very recently that if between 1942 and 1945 we had expended $500 million by way of assistance to China in agricultural products and the like, China might never have become communist. On the other hand we must realize that we live in the world of today; and if we in Canada, in order to get rid of our surpluses, embark upon such a policy as some advocate, a policy of gifts or of selling at reduced prices in order to assist countries in other parts of the world, we will find ourselves criticized in the United States to the same extent that we in our own country today fear the danger of the United States doing that very thing.

I would like the minister to explain what is being done. We have learned from Mr. Butler, the Chancellor of the Exchequer in Great Britain, what is being done over there. We know something of what is being done about surpluses in Australia. We ask our minister to let the house know the policy of the government with respect to east-west trade, and to what extent, if any, the tremendous surpluses we have in Canada will ultimately find markets, either through east-west trade or through trading with other countries of the world.

Mr. Irvin Studer (Swift Current-Maple Creek): Mr. Speaker, I should like to be permitted a few minutes in this debate on the subject of advances on farm-stored grain. I can assure the house that I shall not take more time than was taken by the hon. member for Assiniboia (Mr. Argue), who is so anxious to have a vote on the matter. I shall try to discuss it within the same time limit, and also from the point of view which I suggest holds the greatest interest of farmers in western Canada.

I refer to the effect of advances on farm-stored grain, or the effect of any other measures that may be proposed in connection with farm operations or farm financing upon ultimate wheat board operations in western Canada. I refer to the effect it would have upon an organization the farmers in western Canada have spent almost all their lives in building up and bringing to the point where it has become the selling agency for the grain produced by those farmers.

I have been farming since 1916; and I can assure you, Mr. Speaker, that the farmers I know are not going to be parties to any arrangement that would have a detrimental effect upon the wheat board. And I say that if any other member in the house does not take the same stand, then he is doing a disservice to western Canadian farmers. We are not going to spend all our lives building up an institution that has been of such great benefit, as the wheat board has been, and then proceed to enact some measure which will have the effect of destroying it.

Mr. Argue: Do you not trust your government?

Mr. Stuart (Charlotte): You don't apparently.

Mr. Studer: We have been operating under the wheat board for a number of years. It has done a magnificent job as a selling agency, the most magnificent of any similar agency anywhere in the world. It has done the job under difficult conditions. We have to export more of our grain than any other country in the world. In other words we in Canada, with 1 per cent of the world's population, are producing 7 per cent of the world's supply of wheat. If anyone knows of any other country carrying on with the same success, then I have not heard about it thus far.

Our wheat board has been selling wheat. We now are faced with a situation in which the government is asked to provide that the wheat board can lend the farmers' own money back to them by way of advances on approved storage. Those with approved storage facilities would be eligible for advances. What about it if any losses should be sustained? Are the farmers going to be asked to pay them? I do not know very many farmers who are going to be willing to accept losses caused by some other farmer's inability to repay the advances.

In that connection we have had the experience of the British wheat agreement, and we have had the experience of the $65 million wheat payment to western farmers. I would suggest, Mr. Speaker, that if the people of this country are going to be called upon to pay any losses in connection with western wheat through the operations of

the wheat board, then that will be the end of the wheat board. I believe I am correct in saying that.

Why do I say that? I say it because not more than 7 per cent of the people of Canada want the wheat board. Are we living in a democracy, or are we not? If we are, then we are dependent upon the rest of the people of Canada; we are dependent upon how they advise their members to vote. If we are only 7 per cent of the people of Canada who want the wheat board, then we are in this position. After all, it is only the farmers of Saskatchewan, Manitoba and Alberta who want it, and not all those farmers. I do not know of anyone in British Columbia that wants the wheat board. I do not know of many east of the great lakes that want the wheat board. I do know of a large number of people who might be satisfied to have no wheat board.

I say that not more than 7 per cent of the people of Canada want the wheat board. But our socialist friends ignore that entirely. They say that the government should operate this system irrespective of the wishes of the rest of the people of Canada. I would tell every person in Canada that the Liberal members of parliament over the years have been protecting that wheat board and have made it operative.

Mr. Zaplitny: May I ask the hon. member a question?

Mr. Studer: What is worrying you?

Mr. Zaplitny: Is the hon. member in favour of the coal subsidies?

Mr. Studer: Well, what has that to do with an organization that has been set up on behalf of the western wheat growers?

Mr. Argue: What has your speech got to do with it?

Mr. Studer: The coal subsidy is not a permanent affair. In any event, I am saying that the overwhelming proportion of the people of Canada are, to say the least, uninterested in the wheat board of this country. Perhaps it is our duty to subsidize the coal miners and even the gold miners. Saskatchewan has a few subsidies, but I have not time to go into that now.

In any event, those things are temporary. We are supposed to be on a permanent basis in connection with our wheat operation. That was the argument when the British wheat agreement was discussed in this house. Everyone in this House of Commons agreed with that wheat agreement. Was not that the basis upon which the wheat agreement was discussed? All hon. members in the house were in favour of it.

Then, after the wheat agreement with the "have regard to" clause in it was not kept, in our estimation, what was the story in this House of Commons? It was not the same at all. None of us was satisfied with the British wheat agreement and particularly our socialist friends, although at the beginning they were in favour of the agreement. Therefore when there were no results, or no payments under the "have regard to" clause, our socialist friends asked the people of Canada to pay $325 million on account of the fact that their socialist friends in Britain would give no consideration to the "have regard to" clause. That was what they asked us to do, and the talk was that the people over in Britain, the socialist government, were telling us here in Canada that our wheat growers were better off than the farmers in Britain, and why should they be taxed to pay us, who were better off? It may be good socialist theory, but it works both ways.

While I am at it I should like to say this. We hear socialist advocates—these give-away gentlemen, some of whom have never produced anything to give away, but who are always willing to give away someone else's production—suggest that we should give away our production. Our socialist friends are so generous with other people's money. They say we should feed the underprivileged people of the world. I agree with them. I do not like to see starvation anywhere. But I should like to point out that if production in this world in the past years had depended upon the socialist system we would not be able to feed the underprivileged people of the world; we would not have enough to feed ourselves, because the socialist system cannot produce. The socialist system is non-productive.

With respect to feeding the underprivileged people of the world, I think the government would be prepared to make an agreement with the socialists and say we would double what they might give; we would give two bushels for every one they give to the underprivileged people on earth. We will match them. Let them give us an example of what the socialist countries have been doing to feed the underprivileged people of the world, and we will match them. In other words we will outdo them. We will give so generously in proportion to what these socialist countries do that they will be put to shame.

I should like to have time to say a few words more about Saskatchewan and about

the attempts to alleviate the crisis of wheat under the snow. We have heard about crises in Saskatchewan. We have had the hon. member for Assiniboia (Mr. Argue) make the same speech, with the odd change in a word here and there, in 1949, in 1950 and 1951. I think 1950 or 1951 was the year the wheat was under the snow. I never heard anything quite so sad as a speech that was made by that hon. member in that year. According to him the people of Saskatchewan were starving. This government made some provision for them by guaranteeing the banks. Of course the socialists held up their hands in horror when the banks were mentioned. Don't forget, the farmers are going to have to pay interest on the advances from the wheat board, because the wheat board has to borrow that money somewhere and has to pay that interest. That interest will be paid by the wheat board and charged back to the farmers.

I do not know whether it is against socialist theory to have advances. I am glad to get advances made by anyone. I have had quite enough to do with advances, I can tell you that. My trouble has been that I have always had so many cash advances that I have not been in a position later on to cover them. I do not say that all the farmers are in that position, because most farmers are good farmers, but I would not care to say that of myself.

Under the snow cash advances were provided for to the extent of $20 million. Of that $20 million some $635,000 was used to eliminate the crisis that existed out in Saskatchewan at that time. Then along came the foot-and-mouth disease crisis, and we are still feeling the effects of it. The argument of the hon. member for Assiniboia at that time was that the poor farmers out there had lost their herds of cattle through foot-and-mouth disease and the government refused to pay them, or the government would not give them sufficient to cover their losses.

The government, as it always does, took care of those crises as they arose from time to time. At least this government does that. Therefore the government paid these farmers who had losses through foot-and-mouth disease, and I have not heard a complaint from a single one of them. In fact I understand that most of them were tickled to death because they received more for the herds that were lost through foot-and-mouth disease than the market would have given them later on. Then the hon. member for Assiniboia said, "The reason the government paid you is that an election was coming along". Elections are the only things the hon. member for Assiniboia ever thinks of. That is the only thing he is thinking of now. That is all he ever does. That is exactly what happens. From day to day in this House of Commons he refers to elections.

The government met its commitments under all causes and under all circumstances. Then they talk about the loss of markets. Well, what are the socialists going to do about this? What I should like to know is, what are they going to do about it? They have the standard remedy for everything—give it away. Well, if you took all the wheat that ever grew in this country and gave it to the underprivileged, who comprise about two-thirds of the people of the world, would that be a permanent solution? Would it eliminate communism? It is said that hunger causes communism. I want to know what causes socialism.

Mr. Knowles: Go and look in the mirror.

Mr. Studer: It is suggested that payments should be made on approved farm storage. Who is going to approve it? These socialists are always arguing against too many government inspectors, too many people going around the country in the pay of the government investigating other people's business and disturbing them. There are quite a few disturbed people in this House of Commons. I have never attended here without hearing someone saying that he is disturbed. In any event they will continue with that point of view, that while the purpose might be good there would be too many inspectors.

In any event it is not the approved people who need help, I think it is the people who have their grain in places which even the socialists would not approve who need help. In the southwestern section of Saskatchewan there have not been sufficient crops over the years to permit the building up of permanent storage space. As has been mentioned in the house before, I think by the hon. member for Provencher (Mr. Jutras), out of every 100 bushels stored outside on the grass of the prairies there would be a loss of 8 bushels.

Working that out on the basis that over the years in southwestern Saskatchewan at least half the time we do not have any crops, we would have to build substantial structures to conform to these requirements, and it is just a little bit doubtful whether it would be a paying proposition. The same thing applies to machinery. You do not hear the university people in western Canada advocating the building of elaborate structures to house machinery, because the investment in those buildings would be greater than the deterioration of the machinery over

a period of years. There would be only a few people in southwestern Saskatchewan who would come within this category. They would have to depend on that storage for the advances that would be made, and therefore they would not be helped. Those are the people I want to help, the people who need it.

I think perhaps some solutions have been offered here today that would fit in. The hon. member for Rosthern (Mr. Tucker) has made some suggestions. There has been criticism, ridicule and all the rest of it, but we are used to that in Saskatchewan. There is merit in what he said. We used to have the Saskatchewan farm loan board in that province, but that was taken over by the dominion. It was a good thing regardless of what happened to it. The province of Saskatchewan had that board to meet the farm crisis, but it was not continued by the socialists. I am suggesting it was a pretty good farm loan board. The Liberals operated it for quite a number of years.

I would not suggest the setting up of a provincial farm loan board. I suggest that they set up a provincial wheat loan board and make some effort by means of guarantees to the banks through the municipalities, as was done when advances were made during previous years. The municipality was guaranteed by the province, which in turn was guaranteed by the federal government. They operated in western Canada, and over those years about $118 million was distributed.

Perhaps some system could be worked out to provide assistance to those people who could not obtain the approval of any board or any organization or any people. Perhaps we could work out machinery whereby the municipalities could give consideration to applications by farmers, because no one knows the farmers better than the municipal officials. The advances could be made to the farmers on behalf of the provincial government through the banks. After all the farmers have to pay the interest anyway, under any system, and most of these needy people could be helped.

As I was saying a minute ago, in southwestern Saskatchewan it is not the surplus of wheat that causes the crisis, it is the lack of wheat that has been the cause of most of the crises in our country. If we have had crises they have been crop failures. If we are going to have any kind of crisis, I would like to have this kind, with too much wheat. If I had to make a choice, I would like to have a wheat crisis.

If we could have had that kind of crisis throughout all our history in southwestern Saskatchewan then we would be in the same category as the hon. member for Assiniboia (Mr. Argue), who is always talking about the unbearable burden of income tax payments in Saskatchewan. We hear about a group of Saskatchewan farmers who are paying more income taxes than all the people in any other province in Canada, and we are told that those poor people who are paying income taxes should not be paying them. I do not think the hon. member's figures are correct in respect to that. I doubt whether many of his figures are correct.

Mr. Argue: Are you for it or against it?

Mr. Studer: I have not much political acumen—whatever that word means; I did not go to school for very long, so I have not the vocabulary of some of these university graduates who went to university to study socialism. If I had it I would say that that kind of crisis is the one that can best be overcome. I think we would suffer less from that type of crisis than from any other that I know of.

When I hear talk about these income tax payments by the farmers of Saskatchewan the only thing I object to is that I am not in the same category. I would like to be in that same group. If all the people of Saskatchewan, including those who could not obtain these approved loans, were in the position of having to pay income tax, many more people in Saskatchewan would be happier than they are. I do not particularly like the income tax situation, but I think the government is trying to make it as fair as it is possible to make that situation. I think if you make a study of it and obtain the actual facts you will have to admit that it is fair.

An hon. Member: Are you for or against it?

Mr. Studer: It is not one policy for one province and another policy for another province, as was the case with the socialists in Saskatchewan. I have been trying to suggest how we can overcome or circumvent this crisis. I have been suggesting that if there is a crisis—the socialists always have one—the solution should be on the basis of the protection of our wheat board.

As I mentioned at the beginning, every one of us should be doing a service to our people in protecting that wheat board. We should not allow it to get in a position where the other 93 per cent of the people of Canada may say, "The farmers of western Canada do not want this organization". The Liberals of western Canada over a period of many years have done a magnificent job in convincing the other 93 per cent of the people who may be uninterested in the wheat board that it is a good organization.

Mr. Knowles: This Liberal is trying to talk the motion out.

The Acting Speaker (Mr. Applewhaite): I would direct the attention of the hon. member to the fact that it is six o'clock.

Mr. Studer: I still have not spoken for as long as the hon. member for Assiniboia.

THE PRIME MINISTER

EXPRESSION OF GOOD WISHES ON IMPENDING TRIP

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, as the Prime Minister (Mr. St. Laurent) will not be in the house tomorrow and will not be here for some time, I think it might be appropriate before we leave the house this afternoon to wish him every success on the trip he is making and to repeat what has already been said in this house, that in the good will and friendly sentiments which he will be conveying to the other nations of the commonweath and other countries he will be carrying a message of unanimous good will and understanding from every member of this parliament and from all the people of Canada.

Later this week he will be lunching with the Prime Minister of Great Britain, and I know it will be the wish of many of us that he convey a message of good will to him. Also later, when he goes to France, I know it will be the wish of all of us that with that special aptitude he has for speaking to the people of that great country he assure them of our common concern for the great causes that they are serving at this time.

In every other country he will be speaking, in his expressions of good will, for all the people of Canada; and we wish him well on his trip.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on behalf of my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), and on behalf of the members of this group, I wish to join with the Leader of the Opposition (Mr. Drew) in saying bon voyage to the Prime Minister and in expressing our very best wishes to him for a happy and useful trip. We are indeed glad to know he is going as Canada's ambassador of good will. We shall follow his trip with interest and await with keen anticipation his report on his return.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I am sorry I was not in the chamber at the moment the Leader of the Opposition rose to express best wishes on behalf of his party to the Prime Minister. I happened to be out recording a broadcast, and it might be of interest to the Prime Minister to learn that the member of parliament who was recording a broadcast before I arrived—a member of the opposition, incidentally—was telling of the Prime Minister's proposed trip. He did it quite delightfully and concluded by trusting the people of Canada would follow the Prime Minister on his trip.

He might well have added that all the people of Canada wish him the very best of luck. Such is the expression of our democracy. I am sure the members of this group join with other hon. members who have spoken and wish the Prime Minister the very best the Lord God in heaven can give him on this trip. May that include his protection, much pleasure, usefulness, and a glorious and safe return.

(Translation):

Mr. J. W. Dufresne (Quebec West): Mr. Speaker, I was not in the house last Monday when good wishes were extended to the right hon. Prime Minister (Mr. St. Laurent) on the occasion of the round-the-world trip he will be starting on tomorrow.

However, I did send to him, this very day, a personal letter in which I said that, although we sometimes take divergent views, the member for Quebec West has nevertheless much respect and admiration for the first citizen of this country. On this occasion when he is setting out on a tour around the world, during which he will certainly know how to put clearly the Canadian viewpoint and show other countries how we practise true democracy here in Canada, I want to extend to him, in my own name as well as in the name of the electors I have the honour to represent, my most sincere wishes for a good journey and a happy return. I ask Divine Providence to protect the right hon. Prime Minister, my famous neighbour, from any untoward incident, so that he may come back to continue the work he has so valiantly begun.

(Text):

Mr. Jean-François Pouliot (Temiscouata): Mr. Speaker, on behalf of the Liberal rank and file—

Some hon. Members: Hear, hear.

Mr. Pouliot: —I convey our best wishes to the Prime Minister. May I say bon voyage, good success in his diplomatic mission which is of the highest importance, and a safe return to his Canadian friends and fellow men.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do wish to express very sincere thanks to the Leader of the

Opposition, the spokesmen for the other groups, the hon. member for Quebec West (Mr. Dufresne) and to the hon. member for the county where I had the advantage of spending some delightful weeks during the summer a year ago, for the good wishes they have expressed. I confess I do feel that I have the good wishes of all the people of Canada in undertaking this visit to several countries where, I can assure you, I shall be very proud to be received as an ambassador of Canadian good will.

The Acting Speaker (Mr. Applewhaite): May I just add that I feel had Mr. Speaker been in the chair at this moment he would have seen fit from the chair here in this chamber to endorse the expressions of good will which have been expressed from all sides of the house to the Prime Minister.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall take the amendment to the Post Office Act, and then continue with the Criminal Code.

It being seven minutes after six the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, February 4, 1954

The house met at 2.30 p.m.

ARMED FORCES

NUMBER OF ENLISTMENTS WITH PRIOR SERVICE AS CADETS

Hon. R. O. Campney (Associate Minister of National Defence): Mr. Speaker, further to the answer given to a question asked by the hon. member for Calgary North (Mr. Harkness), which appears at page 1188 of *Hansard* of January 18, 1954, I can now give from additional information received the approximate figures of the number of former cadets joining the armed forces during the calendar year 1953. These are: Royal Canadian Navy, 353; army, 564; Royal Canadian Air Force, 700; total, 1,617. These figures are, of course, subject to final revision.

PRIVATE BILL

REFERENCE OF PETITION TO COMMITTEE ON STANDING ORDERS

Mr. John Hunter (Parkdale) moved:

That the petition for divorce of Annie Bray Hodgson, presented on February 3, 1954, together with the report made thereon by the clerk of petitions on February 4, 1954, be referred to the standing committee on standing orders for such recommendations as may be deemed advisable.

Motion agreed to.

QUESTIONS

FEDERAL PIPE LINES—PROVINCIAL LIENS

Mr. Fulton:

In connection with the case of Campbell-Bennett Limited, *v.* Comstock Midwestern Limited and Trans Mountain Oil Pipe Line Company, heard recently by the Supreme Court of Canada, and in particular in connection with the question of whether a provincial statute creates a lien on a pipe line falling under federal jurisdiction:—

1. Was the Attorney General of Canada represented by counsel at the hearing of this case?

2. If so, what instructions were given to counsel, and what position did he take as a result of such instructions?

Mr. Garson: I wish to answer this question orally. The answer to the first portion of it is yes. In reply to the second part, I have arranged with the hon. member for Kamloops to send across to him the brief filed on behalf of the Attorney General of Canada in this case.

Mr. Speaker: Answered.

BREAD FLOUR

Mr. Dinsdale:

1. What substances are added to bread flour as improvers by milling companies?

2. What quantity of these improvers was used for domestic consumption, during each of the past three years in Canada?

3. Is bone meal added to bread flour? If so, in what quantities and for what purpose?

4. What protein content is required for different grades of bread flour under the Food and Drugs Act?

Mr. Robertson:

1. The term "improvers" as used in the milling industry has meant bleaching agents and maturing agents. The term is no longer accepted by the department because its use is deemed to be misleading. Instead, millers are required to label flour in which bleaching agents have been employed, as "bleached". If maturing agents have been used, the statement "maturing agents added" must appear on the labels. These bleaching and maturing agents are permitted in all wheat flours. Some chemicals such as chlorine, chlorine dioxide and nitrosyl chloride are both a bleaching agent and a maturing agent at the same time, while potassium bromate, for example, is a bleaching agent only and ammonium persulphate is a maturing agent only. Section B.13.003 of the regulations under the Food and Drugs Act lists those substances which are considered to be bleaching and/or maturing agents, as follows:

(g) oxides of nitrogen,
(h) chlorine,
(i) chlorine dioxide,
(j) nitrosyl chloride,
(k) benzoyl peroxide mixed with not more than six parts by weight of one or a mixture of two or more of
(i) calcium carbonate,
(ii) calcium sulphate,
(iii) dicalcium phosphate,
(iv) magnesium carbonate,
(v) potassium aluminium sulphate,
(vi) sodium aluminium sulphate,
(vii) starch, and
(viii) tricalcium phosphate,

in an amount not exceeding 100 parts of benzoyl peroxide for each 1 million parts of flour,

(l) potassium bromate in an amount not exceeding 50 parts for each 1 million parts of flour, and

(m) ammonium persulphate in an amount not exceeding 250 parts for each 1 million parts of flour.

It will be noted that limits are stated only for (k), (l) and (m) above; no limits are stated for the other substances since the amount of these latter chemicals that can be used is self-limiting at a very low level.

2. There is no way of estimating the quantity of the ingredients which have been used for domestic consumption in Canada. Since the amounts of some are self-limiting and of others are limited by regulations, it is reasonable to assume that the total amount of these ingredients is very small in relation to the amount of flour produced. Generally, millers do not use more than one bleaching agent and one maturing agent in any flour and frequently one compound performs both functions.

3. Under section B.13.004 of the regulations under the Food and Drugs Act calcium carbonate or edible bone meal in an amount that will provide in one pound of enriched flour not less than 500 milligrams and not more than 650 milligrams of calcium is a permitted addition. This addition is not compulsory. The addition of edible bone meal is required in Newfoundland. This is the only province in which such a law exists and it is designed to correct a local dietary condition. Enriched flour, supplied in the rest of Canada, does not contain edible bone meal or calcium carbonate, to the best of our knowledge.

4. The regulations under the Food and Drugs Act do not specify the protein content for flour. This is considered to be regulated by the fact that "cleaned milling grades of wheat" are stipulated as the starting point for the manufacture of all types of wheat flour.

CLARKE STEAMSHIP COMPANY

Mr. Thatcher:

1. During the last fiscal year, what federal steamship subventions, if any, were paid to the Clarke Steamship Company for their service between Quebec, Natashquan and Harrington, Quebec?

2. How many ships were used by the Clarke Steamship Company to provide this service?

3. How many passengers were carried during the period mentioned in (1)?

4. What freight cargo, if any, was carried during the same period?

[Mr. Robertson.]

Mr. Langlois (Gaspe):

1. Fiscal year 1952-53, $520,000.

2. Four—(two passenger cargo vessels and two cargo vessels).

3. 9,289 passengers.

4. 40,055 tons, 20 head of livestock, 14,025 bags of mail.

NATIONAL DEFENCE

COLLAPSE OF NAVAL BUILDING AT HALIFAX

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I ask the Associate Minister of National Defence the question which inadvertently I asked on motions yesterday, when you pointed out very kindly, Mr. Speaker, that that was not the right place to ask it? Has the minister any statement to make regarding the causes of and the losses resulting from the collapse of the new naval building at Halifax?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, this is a matter relating to Defence Construction Limited. Early reports indicate that part of the roof structure and three walls of the storage and maintenance garage at H.M.C.S. *Shearwater,* Dartmouth, collapsed on Tuesday morning, February 2. A bus and several other vehicles were damaged. No personnel were seriously injured.

The cause of the collapse is not known. An investigation is being carried out by Mr. K. E. Whitman, consulting engineer of Halifax, who is a specialist in structural design of many years' standing. Officers of Defence Construction Limited and of the navy engineering division are collaborating with him in the investigation. The contract originally was for $279,000, I believe. The building is in two sections. One section is quite intact, that is, the section containing the machine shop. The storage section has collapsed apparently through the falling of one of the trusses. No one knows why it fell or what happened, but that is being ascertained by engineers.

The fact that the building was taken over by the navy almost on the day the truss collapsed is not material, because the contractor has guaranteed the structure for one year. It was a structure designed by the contractor who was both the engineer and the contractor on the job. I am stressing that the damage can be made good without loss to the crown. I may say that Defence Construction Limited, the organization that handled this contract for the government, has handled $512 million

worth of construction which already has been completed, and this is the first accident of the kind that I know of in the course of that program.

Mr. Pearkes: What was the type of construction; wood, brick or stone?

Mr. Howe (Port Arthur): Reinforced concrete walls and laminated wooden trusses. The design of the trusses was approved here in Ottawa. I am quite certain that the truss itself was not defective. My own theory, which is only a theory without having any data as to the collapse, is that there must have been a defect in the fastening between the truss itself and the walls. However, that will be determined and the damage made good.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): May I ask a supplementary question? Has the contractor who was responsible for the construction of this building since been awarded a contract for another building for the navy and, if so, has that contract been held up pending investigation?

Mr. Howe (Port Arthur): No, sir, it has not. This contractor is well-known and, as I say, has carried out five or six million dollars worth of work for Defence Construction Limited. The erection of the trusses was sublet to an Ontario firm, which is also a responsible organization. As far as the main contractor is concerned, the firm has always been good for its liabilities and I am sure it will be for this. There is no reason to question their integrity.

Mr. E. D. Fulton (Kamloops): May I ask a supplementary question? Is it a fact that during the course of the construction of the building in question representations were received from an engineering organization or association calling into question the particular method being used in connection with this laminated wood process?

Mr. Howe (Port Arthur): Not to my knowledge. Laminated wood trusses are widely used throughout Canada. They were used with success during the last war, and they are used, not only in government construction but in private construction. As I say, the firm that designed and built the trusses and was responsible for their erection is well-known in Ontario. I know of no representations of that type having been made.

Inquiries of the Ministry

SUPREME COURT OF CANADA

SUGGESTED JOINT REFERENCE OF PROVINCIAL STATUTE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask the Minister of Justice if he will approach the appropriate authority in the province of Quebec with a proposal to submit jointly to the Supreme Court of Canada an act of that legislature which, according to the press, has been finally passed and which is known as the freedom of worship act, to determine whether or not the act is an amendment to criminal law and therefore of doubtful validity as a provincial statute? Will the minister endeavour to secure the co-operation of the provincial government of Quebec with a view to obtaining the opinion of the Supreme Court of Canada?

Hon. Stuart S. Garson (Minister of Justice): I wish to thank my hon. friend for having given me notice of his question. In reply to both portions of it I may say that the Supreme Court of Canada does not have jurisdiction to determine whether or not a provincial statute is of doubtful validity on a submission made jointly by the governor in council and the appropriate authority in the province.

Mr. Coldwell: What was done several years ago in the case of the Alberta legislation which was referred to the Supreme Court of Canada? Was that not done through a co-operative arrangement between the two governments?

Mr. Garson: I am afraid I cannot answer my hon. friend's question from my own off-hand memory. There may have been correspondence, but the point I am making now is that there is no authority in the Supreme Court Act for the two governments to act jointly in submitting a reference.

Mr. Coldwell: The federal government may direct one.

DUMPING

REQUEST FOR ACTION IN CONNECTION WITH JAPANESE PIPE FITTINGS

On the orders of the day:

Mr. Michael Starr (Ontario): I should like to direct a question to the Acting Prime Minister, the Minister of Trade and Commerce. In view of the conditions now prevailing in industries producing malleable castings, where serious unemployment exists and a reduction in the hours of employment is taking place, caused by Japan dumping pipe fittings into Canada, will the government give

consideration to using the powers under the recent anti-dumping legislation to meet this situation?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I submit that that is a statement rather than a question. I have asked our people to let me know what the Japanese imports amounted to, and I find that from January to September, 1953, they totalled $83,000 as against imports of $3,480,000 from the United States and $330,000 from the United Kingdom. On the basis of those figures there is certainly no evidence that anti-dumping legislation is required. If it is anti-dumping legislation that is sought, the appropriate place to apply is the Department of National Revenue. If the hon. gentleman wishes to ask a question rather than to make statements, the place for it is on the order paper.

Mr. Green: Could the minister get the figures for the period following the end of September last year?

Mr. Howe (Port Arthur): They could be obtained direct from the ports of entry. I was using the figures available from the bureau of statistics. If the hon. member will put his question on the order paper, then it can be answered. It is not a question to be asked on the orders of the day. What is the urgency of it?

POST OFFICE

WINNIPEG—IMPLEMENTATION OF 40-HOUR WEEK FOR MANIPULATIVE STAFFS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Postmaster General based upon a telegram from the Winnipeg branch of the Canadian postal employees' association, the text of which I have sent to him. Will the manipulative staffs of the Winnipeg post office be included when the 40-hour five-day week is implemented?

Hon. Alcide Cote (Postmaster General): Mr. Speaker, I want to thank my hon. friend for giving me notice of his question, and also the hon. member for St. Boniface (Mr. Viau) who asked a similar question. I am sorry to have to say in reply to both questions that I cannot give an answer because so far we have received no complete information from the civil service commission. It is quite understandable that they do not want to handle this on a piecemeal or hypothetical basis. I am sure that when they have set up the whole pattern for the implementation of the 40-hour five-day week we will be duly informed and then I shall be glad to give the information to the house.

WATER POLLUTION

NORTH SASKATCHEWAN RIVER—REQUEST FOR FURTHER INFORMATION

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 National Health and Welfare. Would he tell the house something of the actions of his representatives in the meetings they have had with representatives of the provinces of Alberta and Saskatchewan in relation to the pollution of the North Saskatchewan and also whether or not, in view of the dispute as to the responsibility being federal or provincial, his government has given consideration to amending the Criminal Code in order to cover a situation such as this, as a means of arriving at a permanent solution?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. gentleman for giving me notice of his intention to ask this question. As I told him and the house the other day, the chief of the public health engineering division of the Department of National Health and Welfare went to western Canada to confer with the appropriate authorities in the provinces of Alberta and Saskatchewan. I may say also that he has conferred with health authorities regarding the same problem in the province of Manitoba.

He advises that due to the complexity of the wastes being discharged into the North Saskatchewan river near Edmonton and the very small amounts of the various pollutants it has not been possible to determine the particular material or materials which are causing taste and odour problems in downstream water supplies. The low flow in the river at this time and the fact that the river is covered with ice are factors which are probably contributing to present conditions. The ice cover prevents oxidation of the pollutants.

The hon. member for Churchill (Mr. Weaver) had asked privately regarding the situation at The Pas in Manitoba. I can say that the use of activated carbon at The Pas appears to have corrected the taste and odour problem. Lack of equipment and treatment facilities have prevented a similar solution at water treatment plants between The Pas and Edmonton. The city of Prince Albert has made arrangements to treat its water with fluorine

chlorine dioxide. Laboratory experiments have indicated that this treatment is effective in removing the objectionable tastes and odours.

With regard to my hon. friend's use of the word "dispute" as to jurisdiction, I must say that what I said the other day with regard to the competence of the particular authority in question does not, in so far as our relations with the provinces are concerned, justify, to the best of my knowledge, the use of the word "dispute". There is no suggestion on the part of the provincial authorities that the matter is not one within their jurisdiction. However, the matter is receiving continuous study on the part of the industries, the provinces and other interested parties and we have assured the provinces that we will be glad, within our constitutional authority, to continue to collaborate in the matter of providing whatever technical skill we have at our command.

Mr. Coldwell: And the legislation required?

Mr. Martin: What I have said covers the interjection which my hon. friend has just made.

Mr. Diefenbaker: Mr. Speaker, may I ask a supplementary question. I wish to thank the minister very much for his statement. I know his department is co-operating, but certainly action of the most drastic nature should be taken. The minister's answer to my last question scarcely covers the matter. My question is, in view of the fact that it is admitted by the provincial governments of Alberta and Saskatchewan that this is a matter of provincial responsibility, has consideration been given by way of a permanent solution to the amendment of the Criminal Code in order to cover situations such as this?

Mr. Martin: My hon. friend knows that whatever responsibility the dominion government might have in this or like matters would come under the head of navigation. I suppose theoretically it would be possible, under the guise of criminal law, to deal with the situation. However, that is a matter which, as I indicated the other day, is being explored by the law officers of the crown and I do not think I would desire or be expected to comment on that at this time, and in any event this is a matter of policy.

Mr. Coldwell: The government has power to care for the health of fish in these rivers. What about the care of human beings, who are a great deal more important?

Mr. Martin: As my hon. friend knows, to the full extent of the authority given the federal parliament and the federal government under our constitution this government has not been remiss in meeting its obligations.

Mr. Knowles: Yes, to the fish.

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, I intended asking the minister a question similar to that asked by the hon. member for Prince Albert (Mr. Diefenbaker). What action if any does the government propose to take to prevent this pollution of Canadian rivers running through two or three provinces?

Mr. Martin: I thank my hon. friend for giving me notice of his question but, as he has just observed, it has already been asked. As a matter of fact, this very question was raised by the hon. member for Prince Albert on January 19, and on that occasion I made a careful and fairly extensive reply. That reply may be found at page 1234 of *Hansard* and I commend to my hon. friend what I said then.

NATIONAL FILM BOARD

INQUIRY AS TO AWARDING OF CONTRACTS FOR BUILDINGS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Minister of Citizenship and Immigration (Mr. Harris) regarding the removal of the film board to Montreal. The question, similar to one I asked the other day, is this. Will the contract be let before the house has had an opportunity of considering the estimates that will be necessary for the removal of the film board? That was the one part of my question which remained unanswered the other day.

Hon. W. E. Harris (Minister of Citizenship and Immigration): I am not certain what procedure the Minister of Public Works (Mr. Winters) has in his department for letting contracts, so I am not prepared to answer until I consult with him.

Mr. Coldwell: Then may I ask the Minister of Public Works if he will give the answer?

Mr. Harris: He is not here.

Mr. Coldwell: Will he consider it at the first opportunity?

TRADE AND COMMERCE—DEFENCE PRODUCTION

INQUIRY AS TO MERGING OF DEPARTMENTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a question of the Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe).

Would the minister care to comment on a report which appeared in the press a few days ago, to the effect that his two departments are likely to be merged into one department called the department of trade and production?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have not heard that rumour, but I can assure the hon. member that that will not happen.

POST OFFICE ACT

AMENDMENT TO INCREASE POSTAGE ON LETTERS AFTER APRIL 1, 1954

Hon. Alcide Coté (Postmaster General) moved the second reading of Bill No. 168, to amend the Post Office Act.

He said: Mr. Speaker, in the debate on the resolution introducing this bill I have already stated the reasons for readjusting the postal tariff, and I have also answered criticisms directed against such a readjustment. However, I think it is necessary at this stage to again present the problem objectively and refute once more the arguments repeated over and over again by members of the opposition. I cannot refrain from observing that there will be a certain amount of repetition, but I shall endeavour to summarize fairly and as briefly and concisely as possible.

There is at least one point on which we all agree; that is that in the coming fiscal year 1954-55 the Post Office Department must pay additional expenditures amounting to a minimum of $13½ million. Not one hon. member in this house objects to the payment of increases to postal employees and mail contractors, nor to the additional costs to implement the five-day 40-hour week in the Post Office Department.

I have already told hon. members of this house that the aforementioned three items alone will cost the Post Office Department $13½ million yearly itemized as follows:

General salary increase	$ 7,000,000
Five-day 40-hour week	5,000,000
Increased remuneration to mail contractors	1,500,000
	$13,500,000

Indeed, it is self-evident that the hours of duty cannot be decreased by one-eleventh, or slightly more than 9 per cent, and pay cannot be increased by more than 8 per cent, without adding greatly to the $81¼ million per annum which the department pays to its employees. I am sure I need not labour that point; it is self-evident.

Everyone agrees that these additional expenditures amounting to $13½ million must be paid. Now, there are two ways of obtaining money to pay these necessary and additional expenditures; first, by readjustment of the postal tariff, and second, by general taxation.

We think the readjustment of the postal tariff, increasing the postage rate, is the most equitable arrangement to obtain the necessary money to pay the additional expenditures. With such an arrangement, the cost of service is borne by the users, and those who do not use the post office are not called upon to pay for those who use it. I repeat that I do not think it is fair to ask the office girl, the worker or the little man to pay for the stamps of the big firms like Eaton's, Morgan's, Simpson's, Dupuis Freres, etc.

All those who have criticized this bill which proposes the readjustment and increase of the postal tariff, whether they said it plainly or not, have supported the other way of obtaining money to pay the additional expenditures, that is by general taxation. In any event, all the criticism made by members of the opposition may be classified under one of the following proposals. First, we can take it out of general taxes; second, we can live off past surpluses; third, efficient administration will permit us to make enough savings to meet the added cost; and fourth, if we cancel subsidies such as franking, etc., we will not require added revenue.

I now plan to deal with these four main proposals of the opposition one by one. Their first main proposal is: "We can take it out of general taxes". As I said in the debate on the resolution, if we adopt the principle that postal revenue need not meet expenditures but that the revenues of the department should be supplemented by tax money, then we should have a truly subsidized service.

This raises the question of just at what point we stop subsidizing. Do we subsidize at a 10 per cent rate, a 15 per cent rate or a 20 per cent rate, and do we gradually allow ourselves to drift into deficit positions until we reach a point comparable to that of the United States, which they are trying so desperately to remedy? Their deficit reaches the staggering figure of $770 million in one year. A comparable figure in relation to the Canadian service would be somewhere in the neighbourhood of $50 million annually.

The adoption of such a policy would, as has been previously stated, mean that the small merchant, the little retailer, would be seeing his tax money go to subsidize a below-cost service to his mail order competitors. I am sure he would not relish the idea. It would also mean that the individual user of the mail, the person who writes a few letters each year, would see his tax money go to subsidize the

big user—to give a simple illustration, the stockbroker who floods the country with material regarding mining or oil developments. The government has rejected—and I think for good and sufficient reason—this idea that the post office will live off the taxpayer and that we do not need to pay any more attention to balancing our books. This would tend to remove the incentive for careful management.

The second main proposal of the opposition is: "We can live off past surpluses". This point is an interesting one. Even if we could recover from the public treasury the amount turned into it during, say, the past 20 years, we should still find ourselves in the position that these alleged surpluses do not exist in fact.

The financial statements in the Postmaster General's report follow the statutory provisions of the Post Office Act. The statements have been prepared for years along the same lines, and naturally are for comparison purposes. They do not furnish a financial picture on the lines usually provided in connection with commercial or industrial undertakings. They do not take into account the services rendered by the department for which no financial recompense is received, nor do they charge the Post Office Department with the cost of services rendered by other departments of the government—to mention only one at this time, the public works department.

We do, however, maintain for our own guidance office estimates of what these various services amount to; and if we take them all into account, both debits and credits, the estimated total surpluses over the past 20 years would amount to slightly more than $20 million or approximately $1 million per annum. In recent years, however, these statements showed deficits, not surpluses.

Let me also make it clear that in arriving at these estimated figures of an average surplus over a 20-year period of approximately $1 million annually, we have not calculated nor taken into account the value of the services rendered to the department by the civil service commission with regard to recruiting, examination and other personnel matters, or by the Department of Finance in connection with the salary accounts of post office employees, the writing of cheques and the material and equipment utilized for that purpose. Neither do these estimates take cognizance of the fact that the Auditor General provides a free audit service. If these latter items were computed and taken into consideration the so-called surpluses over this long period would almost entirely disappear.

As I have said, it has been the policy of the department throughout the years to endeavour to live within its revenues. Political history will show that there have been occasions when Conservative governments were in power and that during such periods there was no attempt to change that policy. It might not be inappropriate at this point to quote a statement which is made in the January 18 Canadian edition of *Time*. This magazine, summarizing the President's message on the state of the union, mentions the following with regard to the post office department:

> To enable the mail to pay its own way, the President recommended approval of the bill now pending in the house to raise postal rates, including an increase in the regular inter-city letter rate from 3 to 4 cents.

This makes it clear that the United States government is abandoning the policy which the Leader of the Opposition (Mr. Drew) suggests we should follow. This second suggestion of the opposition, that we can live off past surpluses, is simply illogical.

The third main proposal of the opposition is: "efficient administration will permit us to make enough savings to meet the added cost". This brings up the subject of the report submitted by J. D. Woods and Gordon Limited, an incomplete account of which has already been given to the house but which, with the tabling of that report, can now be examined in its true perspective.

Let me first state that in presenting this report the firm of business consultants estimated that in terms of salaries and additional staff required, increased amounts of approximately $300,000 per annum at headquarters and approximately $400,000 in the field would be required if and when the recommendations were adopted, or a total of $700,000 per annum. Will those hon. members of the house who have been so critical of the administration of the Post Office Department and who have repeatedly demanded reduced administrative costs, please bear this increase in mind.

Before dealing further with this report, may I say that it is a strange attitude for the opposition to take that there is something wrong in consulting experts, and that when experts have something to suggest to improve the administration, this is in itself a clear indication of lax management. If such were the case, then there are many business firms in Canada guilty of the same laxity because business, in fact the better kind of business, makes use of consultative services such as those provided by the officials and staff of J. D. Woods and Gordon Limited.

Let me repeat here that it was upon the advice of the officials at headquarters of the

department that my predecessor obtained the services of a firm of outside consultants. The postal officials recognized that with the growth of the service a greater measure of decentralization was desirable and that they had not sufficient time to devote to the task of making a survey of the organization and procedure without leaving undone some of the many daily tasks which require their personal attention.

I wish to make it crystal clear, beyond any possible misinterpretation, that there never was any question of maladministration or even of complacency on the part of the administrative officials. It was not any investigation of any wrongdoing or any lack of interest, but simply a request for a managerial report, a desire on the part of these administrative officials to ascertain if their ideas of development and decentralization were along sound business lines and in conformity with up to date practices. They wished to take advantage of the knowledge and experience and progressive methods possessed by outstanding business consultants as a consequence of their constant study and experience.

The fact is, as the report repeatedly states, that the department is well administered and departmental officers have vigorously pursued a program of efficient operation over the years. What better evidence of this is required than the fact that during the past 20 years the volume of mail has increased by 178 per cent whereas the increase in total staff approximated 100 per cent? It is simply by good, hard-fisted administration, by scrupulous attention to every detail, that this has been made possible.

What is the reaction of my friends in the opposition to this unquestionably efficient administration? The Leader of the Opposition (Mr. Drew) states he has nothing but praise and commendation for the way in which those who are carrying out their daily routine of mail service have been performing their functions. He pointedly remarks that his criticism is directed to the administration of the department. Other members of the opposition refer to the need for a housecleaning of these officials, and make other similar unjustifiable comments. Is it not strange, however, that during the same debate, in fact on the same day, still other members of the opposition were most complimentary in their references to the efficiency of the postal department?

The Woods and Gordon company do make a number of recommendations. I shall deal with them in detail later, but before doing so let me stress that the report states that many of the suggestions originated with the administrative officers at headquarters. Let me give you just one simple illustration of what was done by the departmental officials in the past, years before the survey was made. In the financial branch, on their own initiative and without any outside help, the officials replaced the old system of handling money order accounts which had been in effect for many years—incidentally, under both Conservative and Liberal administrations—by the new type of money order which effected not savings of hundreds of dollars, not even the $30,000 stressed by the hon. member for Notre Dame de Grace (Mr. Hamilton), but over $350,000 annually. Many other such developments had taken place long before the Woods and Gordon company were called in.

The department has developed the mechanical handling of mail to a degree which is not even approached by many other first-rank postal administrations. We are now undertaking research to take care of the sortation and letter distribution problems of tomorrow by the utilization of electronics. It will be some little time before the complete machine is built, but it is another indication of the efficiency and progressiveness of the postal officials. It was by this kind of administration that we were able through all these years to more or less balance our books and not come to parliament asking for rate increases when practically every other business in Canada was imposing increased charges as a matter of course.

As I have already mentioned, payments to transportation companies have increased some 72 per cent. The salaries of employees have increased 100 per cent. During that time the increase in postal rates, applied to the whole range of charges to the public, had been approximately 22 per cent. The hon. member for Brandon-Souris (Mr. Dinsdale) gave a clear indication of what is being done when he referred to the fact that many years ago the revenue at Brandon was $110,600, with 44 employees. Now, with revenue of $217,120, there are only 41 employees. Like comparisons can be made in other offices. It was this close attention to routine administration and improvements in procedure that made the savings possible.

It was this same close attention to administrative details which occupied the time of departmental officials to such an extent that they could not look around to explore every field of potential future savings. Is this a crime? On the contrary, I think it is indeed a solid tribute to the zeal, energy and capacity of those men who have given devoted and efficient service over the years, and whose

ability and loyalty to their duties some members of the opposition attempt to depreciate. May I again read what the Woods and Gordon company state on this point:

> We have been impressed by the over-all efficiency of the department and the basic soundness of its organization and administration. Many of the proposals incorporated in this report were brought forward by them. A number of important steps have been taken in recent years to improve both the organization and the administration. Further improvements are under active consideration by your senior officials and some are in course of implementation.

The summing up in the report is to the effect that departmental officials, if given more help, can free themselves from a lot of routine and they, and they alone, can make the savings which the report holds out, not as an immediate possible benefit but one to be derived in future years. May I again emphasize that they do not at any point in the report, or in any conversations I have had with them, indicate that these savings are to be realized immediately. What they say is that we must be prepared to spend more money at headquarters and in the field to achieve returns in the way of good service and possible economies in later years.

For my convenience Woods and Gordon Limited prepared a brief summary of the organizational and administrative items in their report, with some related observations. With the same reservation I made concerning the tabling of the main report, I am tabling the summary now, as it is much easier to follow than the lengthy main report.

Mr. Knowles: Are there enough copies available for hon. members?

Mr. Cote: This is the copy which was sent to me on the 17th of December, and which I am prepared to table.

The Acting Speaker (Mr. Applewhaite): Is it the intention of the minister that the document should be printed as part of *Hansard?*

Mr. Cote: I have absolutely no objection. If I may have the unanimous consent of the house I will agree to that.

Mr. Fulton: May I ask whether the summary is prepared by Woods and Gordon?

Mr. Cote: Yes.

Mr. Fulton: It is not the minister's summary?

Mr. Cote: No, this is a copy of the summary prepared by Woods and Gordon, which was sent to me on the 17th of December.

The Acting Speaker (Mr. Applewhaite): Is it the unanimous opinion of the house that this document should be printed as an appendix?

Mr. Knowles: As an appendix, yes.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Applewhaite): Then it will be printed as an appendix to *Hansard.*

(For summary referred to above see appendix, pages 1806-08.)

Mr. Cote: Now, Mr. Speaker, referring to the report, it is true that 73 major and minor recommendations have been made. But to say only this is unfair and incomplete, as I have already indicated, because the whole truth is that of these 73 major and minor recommendations 59 have already been implemented in whole or in part, nine are still under study, four have been rejected as offering no economy or improvement, and one is a matter of government policy.

In some instances it will take several months before the changes are finally completed. In addition, there are recommendations which require further study before they can be adopted as a matter of general practice because, while commendable in their conception, they are questionable from the standpoint of practical application. We do not, however, discard any of these recommendations until we have examined them thoroughly. Thus the sweeping statements to the effect that efficient administration will permit us to make enough savings to meet the added cost are swept away by the facts.

The fourth main proposal of the opposition is that if we cancel subsidies such as franking, etc., we will not require added revenue. Before dealing with the abolition of franking may I briefly refer to subsidies, which I dealt with rather fully earlier. The opposition suggest doing away with the franking subsidies and, in the same breath, suggest that we should have kept the excise tax which was in itself a subsidy to the Post Office Department. They cannot be serious in this suggestion, because they are so inconsistent. Surely this inconsistency shows that they are both for and against subsidies. They want to have their cake and eat it too.

Dealing now with the suggested abolition of franking, may I say that even if this were done the revenues obtained in that way would cover only a small fraction of the total additional expenditures of $13,500,000. Hence this is another futile suggestion, which brings no remedy to the situation. Moreover, the opposition is only presenting one side of the picture. The principle of franking is to give free mail communication to those seeking, as well as to those supplying, administrative information. The franking privilege

is given so that free mail communication may be established between the Canadian public, the ministers and members of parliament.

If we abolish franking in one direction, it is only logical to expect it to be abolished in the other direction. Otherwise one group could very easily place the other in an untenable position, and thus the flow of information could well become a trickle in one direction and a river in the other. In order to obtain free administrative information, franking must be maintained in both directions. If, on the other hand, the opposition want to abolish franking in one direction, they must expect it to be abolished in both directions. It is a two-way street.

Thus, while the opposition suggest that the franking privilege be abolished, they neglect to show that the Canadian public will then have to pay for all mail communications sent to their elected representatives. The members of the opposition, therefore, while appearing to oppose a necessary increase in postage rate, are themselves at the same time proposing a further increase in mailing cost to the public.

I shall now deal with some of the statements made by my hon. friend the Leader of the Opposition. I am following this procedure because it will also answer many of the questions asked by other members of the opposition. The Leader of the Opposition makes comparisons with the rates paid in other countries. He points out that the rate in the United States is 3 cents, but he does not mention that the authorities in that country, as I have already indicated, are endeavouring to increase their letter postage rates and that there is under study a measure very similar to that which forms the basis for the present bill. This has already been covered by my reference to the message from the President quoted in *Time*. Neither does the hon. member draw to the attention of the house the fact that during the last fiscal year the United States post office department had a deficit of $770 million.

In making his reference to postage rates in the United Kingdom he compares the rates paid there on the basis of exchange rates, rather than in relation to the United Kingdom economy. A rate of 2½ pence in relation to the British economy is practically the same as 5 cents in relation to the Canadian economy.

Mr. Drew: For how many ounces?

Mr. Cote: I am coming to that now. He mentions that this rate is for 2 ounces, but overlooks the fact that the maximum distance which a letter travels in the United Kingdom is not more than 500 miles whereas in Canada it may travel three or four thousand miles, a large part of which is by air transport with no additional charge to the mailer. A fairer comparison would be the rate paid in Australia, where conditions in so far as distance is concerned more closely approximate those in Canada. In that country the rate is 3½ pence, which in relation to the Canadian economy is 7 cents.

Moreover, the hon. member for Saint John-Albert (Mr. Bell) said in the house that the rate paid on postcards in Poland is 6 cents and on postcards in Czechoslovakia, 5 cents. In addition, he said that the rates were much higher in Portugal, Egypt, and India. The figures I have for the United Kingdom and Australia, and the figures given by the hon. member for Saint John-Albert, show very clearly the inaccuracy of the statement by the Leader of the Opposition "that we will have the highest postage rates in the world."

He also makes reference, as did previous speakers, to the penny postage introduced by Sir William Mulock. He fails, however, to make reference to the increase introduced by the Conservatives in 1915 or to the increase from 2 cents to 3 cents made by the Right Hon. Mr. Bennett in 1931, and this at a time when the country was suffering from a depression.

The Leader of the Opposition indicated that it would be quite reasonable for anyone close to the United States to carry their letters, which would normally be posted in Canada and deposit them in the United States post office, in order to take advantage of lower rates of postage. He even went so far as to say that there would be nothing illegal in this. I must issue a warning to those persons who might take seriously the suggestion made by the Leader of the Opposition. International postal regulations, to which every postal administration is signatory, expressly deprecate such a practice and specifically provide that the administration in which the letters are posted may either return the items in question to the country of origin or impose a surcharge equal to the amount of its internal rates.

The Leader of the Opposition made the statement that the government knew quite well when the excise tax on notes and cheques was removed that an increase in postage rates was to follow. I am rather surprised that my hon. friend would so disregard the facts. The first intimation of the discontinuance of the excise tax on notes and cheques was in February, 1953. The civil service commission did not commence the salary adjustment until sometime in the fall of 1953, and the first list of revised salary rates was

published on or about the 1st of December, 1953. Furthermore, no decision was given by the government in regard to the general adoption of the five-day 40-hour week in the operating service of the Post Office Department until sometime in September, 1953. The bill authorizing a readjustment of the rates for rural mail couriers did not become law until the 14th May, 1953.

I am, therefore, completely at a loss to know on what grounds the Leader of the Opposition could possibly justify the statement made by himself, and other members of the opposition, when items which occasion the additional expenditures were not even contemplated at the time the excise tax on notes and cheques was removed.

The hon. member states according to page 1152 of *Hansard* for January 15, 1954:

> Surely we are not going to be told that there was no difference in the cost of the operation in the handling of the $7,500,000 worth of stamps.

Certainly there is a difference in the cost of operation, but not to the extent which the Leader of the Opposition endeavours to indicate. The actual cost of the stamps would be in the neighbourhood of $20,000, and the reduction in operating and distributing costs might be as high as $10,000, making a total of $30,000, which is somewhat far removed from the $7,500,000 which the post office has lost in the removal of this excise tax.

Now, Mr. Speaker, I have again placed before the house most objectively the position of the government in regard to this bill. I have also answered all the major criticisms and many of the less pertinent comments of the opposition. I feel that this further constructive presentation shows without any doubt the soundness of the position of the government, and destroys alleged objections put forth by the opposition. I must say that the elementary principle that one thing cannot at the same time be white and black applies to everyone, and I am sorry to say that some members on the opposite side have sinned against this principle.

Mrs. Fairclough: Who is without sin?

Mr. Cote: I shall not look at you.

May I give still another typical example of this contradictory attitude by referring to the speech made by the hon. member for Notre Dame de Grace (Mr. Hamilton) the other day, when, after having repeated for almost 40 minutes that the postal department should cut its expenditures, he concluded by asking that the same postal department spend $4 or $5 million more to give the service of a second delivery a day in residential areas. You cannot have it both ways. That is why I say that some of my friends on the opposite side have sinned against the principle that nothing can be white and black at the same time.

As I said a few minutes ago, we are all agreed that the additional expenditures of $13,500,000 are essential. There are two ways of obtaining the money to meet these additional and essential expenditures. One is by an increase in the postal rates; the other is by general taxation. So far I have not received from anyone in the house any other suggestion. We prefer the former. We feel that the cost of the service should be borne by the users and not by the taxpayers generally. We think this is an equitable arrangement. The opposition prefers the latter. They want to subsidize the service, with all the illogical and dangerous consequences to which I have already drawn attention.

The present issue is a clear-cut one. Foreseeable additional expenditures to carry out decisions already made total $13,500,000. The additional expense can be met either by taking it out of the general tax or by increasing postage rates. I recommend the straightforward approach so that the public will know exactly where they stand. I am of the opinion, as I have already indicated earlier, that the persons who use the service should pay for it, rather than that we should becloud the issue by subterfuge.

I know the measure is not a popular one in some quarters, but it is at least honest, and I am sure it will appeal to those members of the public who desire to pay their way rather than throw their burden on someone else.

Mr. Knowles: This is sin out in the open.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, with one statement and one statement alone of the Postmaster General I should think there would be agreement at this time, and that is that this problem should be discussed frankly. The speech we have just heard has followed the convenient practice—that is, convenient to some people—of attributing to members of the opposition statements they did not make, and then on that false foundation presenting an argument which had no relation to anything that had been said in this house in this discussion.

The minister has just read a tawdry political statement. It has been a review of political considerations which had no relationship to the immediate matter now before us. In fact, some of his statements reminded

me very much of a quotation from "Alice in Wonderland" which I am sure he will recall:

When I use a word, it means just what I choose it to mean—neither more nor less.

The minister said that the opposition has suggested subsidies. Where has he found that? When the minister talks with horror of subsidies, will he explain to us how on the one hand he has such horror of something that was not suggested, while at the same time he conveniently overlooks the fact that the method he is proposing means a subsidy on a large scale to Trans-Canada Air Lines? The merits of that may be subject to debate on other occasions, but let the minister not suggest for one moment in this house that the proposal he is making is not a straight subsidy to T.C.A.

The minister has shed crocodile tears about the little man whom he is going to serve, as against the interests of the big man and the big business. He is doing the very opposite. What he is doing is charging the little man more than the big man who can use air mail, and get air mail service without paying for an air mail stamp. That is what he is doing. That really is exactly along the lines of the statement in "Alice in Wonderland" to which I have referred.

But, Mr. Speaker, there are other points that I should like to mention before I pass on to some of the subjects the minister discussed. He says that things cannot be black and white at the same time, and that it would be well if that elementary proposition were recognized. It would indeed. I want to speak about that. In tabling the memorandum prepared for him in December by J. D. Woods and Gordon the minister told us that he made it available to the house under the same terms as he made available the confidential report of J. D. Woods and Gordon.

Now, Mr. Speaker, we have here the interesting question of when a report becomes confidential. I hold in my hand the report which has been under discussion, and I have not been able to find outside, back or front or inside, the words "personal, confidential" or anything that suggests that it is such. Again this bears repetition, because we see it in the words of the Postmaster General. What he tells us is that when he uses a word it means just what he chooses it to mean, neither more nor less. We do not need to attribute that to "Alice in Wonderland"; that is what the Postmaster General says. He says it is confidential; therefore it is. J. D. Woods and Gordon did not think of putting that covering restriction on it.

Again I express some surprise, Mr. Speaker, that what the minister regarded as a confidential report should have been so freely referred to in the statement made on behalf of the department, where it appeared it would be helpful to refer to it. Surely this is an elementary proposition, to use the term the minister used. If you use part of a document to support your argument, the whole document must become available. I know he will agree with me immediately in regard to that proposition. Therefore when the department sees fit to support its statement by partial reference to the document which was not marked "confidential", but which he says is, then we may ask ourselves, how are we to tell just which pages are confidential, which paragraphs, and so on?

The fact is that it is not confidential. It is part of the business of this house; it is part of the business which is to be attended to by the hon. members who are now able to devote more time to the business of the house or who will be able to as a result of the decision of a majority of the members within the past few days.

May I repeat that documents referring to administration which do not in some way affect security, or which do not in some way deal with matters that are subject to limitations of secrecy, are not in any way the private property of this government. One of the statements the minister made when he was setting up the false proposition was that we had criticized the appointment of this firm of specialists. I do not know where any such criticism was made. On the contrary, we have been urging that specialists in many lines be permitted to examine the organization of government and improve its efficiency, as we are confident could be done in many directions.

The minister made another statement that I should like to deal with before I pass on to something else. He referred to my remark about the invitation that this would offer in cities along the international boundary to firms and individuals to take their very large daily mailings across the boundary and buy stamps in the United States for 3 cents, which would perform the same service to any part of Canada as the 5-cent stamp would here after this bill passes. He said I had overlooked a provision in the departmental instructions where it is suggested that the department deprecates such a practice. Oh, we not only must abide by the law; we must abide even by the wish of this government. If the government deprecates, then nobody must do it. If the government deprecates, then that is enough to stop anybody doing it.

Mr. Cote: I just want to clarify that point. I was talking about the universal postal union.

Mr. Drew: I hope the people of this country will abide by the laws of Canada. The statement that somebody has deprecated a practice does not in any way affect the legality or propriety of anybody availing himself of such facilities as are presented in a perfectly legal manner. I would think most of us would regret if it became necessary or even desirable for anyone to go out of this country to get a service at 60 per cent of the cost he would pay for the same service here in Canada. This government are telling us about the need for continental integration, and surely they will recognize how readily it would fit into the picture of continental integration in business, in a very simple manner right across the border, if they invite this to be done.

I indicated quite clearly before that I did not think that would be a desirable situation. I repeat that there is no law against it. I also repeat, however, that if a service of that kind is available along the border it should be available everywhere else in Canada. It is not something that should be available to the few; and in this case it is not something that would be available to the little man about whom the minister professes to express such concern. It is something that would be available to the big organization which would find it useful and valuable where they were handling mail on a sufficiently large scale.

No, it is not big business or the person with lots of money who is affected adversely by this. It is the little man. Let me give an example, and I am ready to name the man who writes this letter, which is one of many that have come to me on this subject. It is written by a man named Harris.

Mr. Knowles: Of Grey-Bruce?

Mr. Drew: Not of Grey-Bruce; of Aylmer West. I shall simply read the first paragraph, which tells the story of the letter, and which is as follows:

> Dear Sir:
> I am a shut-in and very short of cash and I write a bit which is all I can do to put in time and a 5 cent postage means more cash and I have only $65 per month plus $2.50 interest to spend on household and the M.P.'s are increasing pay.

That is a comment by just one of the little men about whom the minister is expressing such concern. I submit that this expresses in simple terms the attitude of a great many little men in regard to the proposition now before us.

This is not just something effecting an increase of 1 cent in the cost of postage; this is something that increases the cost of mailing generally, particularly to those people who find the mail a very useful means for the exchange of ideas. Again may I remind the minister that the little man cannot use the telephone and the telegraph as readily as big business or the person of substantial income, nor can he use it in the free and easy way in which the government does. The postal service is the means of communication of the little man, and the result of this change becomes a substantial total when every penny must be watched over the year in which letters are written.

The minister says that we have put forward four different propositions: One, that we take it out of general taxes; two, that we live off past surpluses; three, that there be an increase in administrative efficiency; four, that there be subsidies.

Only one of those is correct; only one of those even moderately resembles the arguments that have been made. We have urged that administrative efficiency be increased and that new methods be employed to seek a wider kind of service which would in itself increase revenue. The minister, in referring to Sir William Mulock, whose name has been mentioned on different occasions, pointed out that since that time increases have been made. That is true. However, he should recall that when Sir William Mulock decreased the cost of postage stamps it was not because of a decrease in the cost of living or in wages or salaries. He believed that there would be increased revenue which would make this possible, through the increased use of the mail as a result of the lower stamp charge. That in fact was the whole history of the use of postage stamps from the time they were inaugurated during the last century.

This is something that might well be considered now because of the fact that the department has cut out deliveries and has made the usefulness of the mail service much less apparent. There is a greater reliance on the telegraph and the telephone by those who can afford to pay for it, particularly by the government or contractors operating on a cost-plus basis.

We believe there can be an increased administrative efficiency. We believe that the J. D. Woods and Gordon report makes that perfectly clear. While pointing out quite frankly and most satisfactorily from the point of everyone that they found a commendable measure of efficiency in the general administration, at the same time they pointed out

many things that could be done and many specific things that would effect very substantial savings in themselves.

Just to deal with the four points that have been made, I do not recall the suggestion that it would become necessary to take this out of general taxes, if proper methods were employed. Then so far as living off past surpluses is concerned, my impression was that when the surpluses were referred to it was to emphasize that there had been deficits before and that following those deficits there were again surpluses for varying reasons, we will hope either because of new methods, increased efficiency or the increased use of the mail service.

Certainly my contention in pointing out the very large surpluses which had been accumulated was to suggest that when those accumulated surpluses became a deficit in a single year on this occasion, it should not cause any more concern than the deficits which had occurred twice in the past 30 years and which were followed immediately by substantial surpluses. My own conviction is that if the department will put into effect the recommendations of the J. D. Woods and Gordon report and will seek to supply a wider and more frequent mail service by many devices not yet employed but which are available elsewhere, in the immediate future that deficit might well be followed by surpluses once again. We believe there is no necessity to suddenly jump at this large increase because of the immediate increase in expenditures, without first testing other methods of meeting that cost.

The minister has said everyone agrees that the additional $13,500,000 must be paid in this way. Everyone does not agree. I do not agree; I do not believe most hon. members on this side agree, and I am inclined to think many hon. members on the other side do not agree either that this is necessary. Of course that $13,500,000, if that is the correct figure, will have to be met, as other increases will have to be met from time to time. But what we suggest is that there are different ways in which this can be done.

Let us see what some of the points are that might well be given consideration. The J. D. Woods and Gordon report was, after all, simply dealing with administration, and suggests methods of improving that administration. It did not come within the terms of their reference to make suggestions regarding policy. That is something which seems to have been overlooked by the minister. When they did not suggest changes in policy, that does not mean they did not think there might not be changes in policy. If they had been asked to recommend changes in policy doubtless they could have suggested certain changes.

They simply made passing reference to possible consideration of the fact that other departments are not paying for their services. When we begin to examine the subject we learn that the Post Office Department gives free service to other departments amounting to $4,700,000. But these other departments pay for their telegrams, and pay their telephone bills. They pay for other services they obtain. It would seem to me that good government accounting would suggest it would be advisable that these other departments pay for their postal service. After all, the public in the end is going to pay for this one way or another, and it would leave the actual departmental costs on a much more realistic basis. At any rate, there should be an examination of that fact before there is any suggestion that we simply go right ahead and meet that $13,500,000 by increased postage rates.

There is another figure that has been under consideration. The minister said we claimed that the stamp tax should not have been taken off. I do not recall when that was argued. What was suggested, and what I repeat, is that unless the government is even more inefficient in every department than we believe it is—and we certainly believe it is very inefficient in many—then it certainly knew when it took off the stamp tax what that would mean in loss of revenue to the postal department. That was what we said. What we pointed out was that at the time they took that tax off they claimed the credit for doing so, but offered no indication to the people that this would have to be paid for in the way it is now being paid for.

An election intervened. They told the public what they were doing, but they neglected to tell them they were going to claim later on that they would have to meet the cost in some other way. Do not let the minister suggest that the postal department was not aware of this. That would be an infinitely more serious indictment than anything yet put forward in this house. It would mean a complete lack of realism in their approach to the examination of their revenues. No, Mr. Speaker; the proper method would have been to indicate that this was going to have that effect and to have made the adjustment at that particular time within the Post Office Department to compensate for it.

I also pointed out that this $7,500,000 is not all lost revenue. Let us see just what that proposition means. That $7,500,000 represents the sale of stamps that would have

gone on cheques if the law had remained as it was. Does the minister suggest that his department is so organized that it can sell $7,500,000 more stamps without any extra cost? To put it the other way, does he believe that the selling of $7,500,000 less in stamps means no saving in the cost of operation? That surely would be an indictment of the organization within his department. I do not believe anything of the kind, and I do not think he does. We have had no figure yet of what the net result would be, but that is a balancing saving which could be put against that amount.

Then, Mr. Speaker, there are the specific recommendations in the J. D. Woods and Gordon report. With all the complimentary—and properly complimentary—things said, the report states this:

On the basis of extensive tests we believe that the addition of staffs trained in time and motion study and in the design of equipment should result in improved operating methods and substantial savings in costs.

The minister says it has not been possible to introduce some of the new machinery, but let us hope that this will become available during the current year. Certainly the present increase in postage rates, which would be inclined to become permanent now, should not pay for a temporary situation which can be changed by the acceptance of that recommendation and the savings that would result.

I am not going to deal with the recommendations into research and planning and various things of that kind, all of which have their impact upon operations, but another recommendation in the J. D. Woods and Gordon report is this:

The operations of the post office savings bank should be discontinued or restricted in the interests of economy. The bank was established originally to meet certain needs of the public which can now be taken care of by other institutions.

Now, Mr. Speaker, there is an interesting and well-known history in regard to this. In the early days of this type of post office savings bank there was not the general service of banks that we have today. When this system was introduced in England with exactly the same name it was to meet the absence of local services. In a large measure the same arguments prevailed here. Today there is hardly a little community that has not satisfactory banking services; and certainly with the increase in the number of automobiles and buses and better transportation facilities of that kind, banking services are within the reach of everyone who wishes to use them. Here is a recommendation which would make a positive and definite saving if it were carried out. The report states:

If it is decided to wind up the post office savings bank there would be an estimated annual saving of $377,000 per annum and the field organization would be relieved of much detailed work.

That amount of $377,000, Mr. Speaker, is not very much to this government which has symbolized or epitomized its view on that subject by the classic expression, "what's a million, anyway?" Nevertheless $377,000 is just one item.

I come now to the specific references to the departments:

The department—

That is the Post Office Department.

—is required to bear the cost of mailing privileges granted to other government departments and of carrying out government policy in connection with the subsidization of transportation—

Oh, that horrible word; that word which so alarms the minister when he thinks somebody else used it, although he did not. To continue the quotation:

—the transportation of certain classes of mail at rates which are below cost and the operation of various services such as the post office savings bank.

Then another quotation; and may I say that these are only samples of some of the recommendations.

Primary sortation is the first division of unsorted mail into a number of different groups. While this plan will require further development there is an indicated annual saving in the forward letter section of the Toronto post office alone of approximately $200,000 per annum.

Then the next one I should like to read is this:

It is apparent that one of the major fields for economy and improvement in service open to the department lies in modification of the transportation facilities and methods used for distribution to the areas surrounding the larger cities.

What that merely means is this. Let the post office keep up with the times. Let the post office recognize that conditions are changing and that there are many means by which distribution and collection can be facilitated which they have not even tried or attempted to try, so far as anyone knows.

Then let me give one other quotation:

While these suggested revisions in the organization structure of the transportation branch do not materially change the administration functions, they strike at the primary weakness—the lack of future policy and program regarding the extent and nature of transportation services.

Then from appendix "A" may I read these words:

The saving of $850 a day or, say, $250,000 a year would appear to be a conservative estimate.

May I say that is a small "c", Mr. Speaker; nevertheless it is obviously not the estimate put forward by this department. Going still further, and placing it on a still more conservative basis, the report says:

> Although no detailed costs are available, it would not be unreasonable to expect that the initial capital outlay would be paid for within a year and thereafter there would be an annual saving of $200,000 a year.

Mr. Speaker, these are only some of the recommendations, and these figures I have been referring to have been directed to only one area and to one municipality with regard to increased efficiency. They could be extended right across the country. We do not know what the possible total would be; but, Mr. Speaker, there is enough before us to suggest that before this house approves of placing the burden for higher-cost mail on the little man in this way, we should receive from the department some positive statement of the things they are prepared to put before us by way of recommendations.

I want to deal with the reservation made with regard to the tabling of this report because I think there should be no doubt and no uncertainty left on the record which would mislead anyone outside this house, now or in future years, as to what took place on this occasion. The hon. member for Notre Dame de Grace (Mr. Hamilton) asked if he could see this report. He did see it. The minister knew he was examining it. The minister knew perfectly well that a stenographer had been taken in there.

Mr. Speaker: Order. Are we not now embarking upon a matter which was dealt with previously? I think what the hon. gentleman is now trying to allude to is perhaps a matter with which we dealt previously, and which to my recollection has been settled, although perhaps not in a satisfactory manner. I merely want to point this out to the hon. gentleman.

Mr. Drew: No, Mr. Speaker. I am dealing with a statement made today by the minister, that in tabling the summary he is doing so under the same terms as those applying to the report which was made available to us. For that reason we must examine those terms and the justification for any restraint on the full use of those documents and their availability under any circumstances. It is the minister who has raised this subject once again by simply saying, "You can place under what I said about the report, which I regard as confidential but which is not so marked, the statement that this reservation applies also to the summary." It is for that reason that I wish to refer to the matter, because these are the reservations.

In presenting the report—and this is the reservation which now applies to the summary which we have not seen—the minister said that in tabling it he was not creating a precedent. Then he referred to the statement of the Prime Minister (Mr. St. Laurent), and I quote the words of the minister as recorded at page 1280 of *Hansard*:

> After pointing out that it was not the practice to table such documents and that there was no obligation to do so, the Prime Minister said that a minister could of course table such documents if he felt it was desirable, and he asked me if I had any objection to doing so. I would not wish to do anything to alter the general practice or to create a precedent which would have a bad effect on the proper administration of government.

I want to make it clear, Mr. Speaker, that when the minister tables a summary today, it is no bad precedent or no bad practice. It is a practice which should be followed without any demand. This is the business of the people of Canada. This is something which is paid for with the people's money. The members of this house should know, and should have known all along, what is in this report. They certainly should know, as they now will, what is in this summary. Why should we not know that this firm of experts, paid from public funds, had made these specific recommendations which would result in substantial savings? Of course we should.

I submit, Mr. Speaker, that in this case there has been no hint of any breach of the confidential relationship between a member and a minister or between a member and a document shown to him. The hon. member for Notre Dame de Grace had a perfect right to do what he did; and may I say that, in doing what he did, he offered to every member of this house an example as to how information should be placed before the house. When the opportunity was presented, he accepted it; and we are indebted to him for this information having become available to us, as it is today.

Then again, Mr. Speaker, may I suggest that there would be many reasons why the Post Office Department should explore the possibility of increasing the number of mail services, and of employing some automatic devices. The minister laughs. I regret to say, Mr. Speaker, that I think that exactly measures the approach of the minister to this problem.

Mr. Sinclair: Oh, be fair.

Mr. Drew: I am being perfectly fair.

Mr. Sinclair: You are not being fair at all.

Mr. Lapointe: Just because he does not look surly all the time—

Mr. Cote: I am sorry to say I was not even listening to my hon. friend. I would not like to impute to him ideas or thoughts that he does not have, and I think it is only fair for him to act in the same way toward me.

Mr. Drew: If the minister was not listening to me, and of course I take his word, then that indicates he is not interested in the subject we are discussing.

Mr. Cote: Mr. Speaker, I think this time I should be the one to tell my hon. friend that he is not fair. I may discuss things with my parliamentary assistant, which are interesting to me and which I must know, without telling my hon. friend what I am talking about. I think he should show me as much courtesy as I on my part would want to show him.

Mr. Drew: Mr. Speaker, if the story told the minister by the hon. member now sitting next to him was as funny as that—

Mr. Cote: Mr. Speaker, I am sorry to say that there was no story, and I am very sorry to see that my hon. friend does not act as he should.

Mr. Drew: Mr. Speaker—

Mr. Speaker: Order. Perhaps we would make better progress if we were to discuss second reading of the bill. I do not think it is reasonable to say that a member, especially if he is a minister piloting a measure, is not interested in it because he happens at one moment during a sitting of an hour and a half to have a conversation with his neighbour, and perhaps has indicated that the remarks were appreciated by smiling. Hon. members know that some hon. members never laugh and others perhaps laugh all the time. They have a happy manner about them, and I think that is so with the congenial Postmaster General. I know there is no intention to offend anyone, and I would suggest that we simply carry on with the debate on second reading of the bill.

Mr. Drew: Mr. Speaker, now that the minister is in a position to follow the debate I shall proceed.

Some hon. Members: Oh, oh.

Mr. Cote: Mr. Speaker, I shall not say what I think because if I did I would have to withdraw.

Mr. Drew: Mr. Speaker—

Mr. Speaker: Order. The minister has not said anything, but I do not think it was necessary on his part to even indicate that he has in mind some expression—

Mr. Cote: Inspired by the Leader of the Opposition.

Mr. Speaker: —which he would have to withdraw. It amounts to the same thing. I think the matter should rest there. After all, are we going to dispute about something which really should not delay the house in its proceedings? I invite the Leader of the Opposition to carry on with his speech.

Mr. Cote: Mr. Speaker, I shall withdraw what I did not say.

Mr. Drew: Mr. Speaker, now that it is convenient I am directing my remarks to the minister. I was pointing out that there are many ways in which mail delivery could be stepped up by the employment of modern devices which are becoming available in increasing numbers and variety, and which are employed with such satisfactory results in many large industrial units whose plants are spread over wide areas. Devices useful in one area might not be useful in another, but certainly consideration should be given to some of these things.

The minister has quite incorrectly attributed to the opposition suggestions they never made. I am not going to comment on that or even say what I think about it. I am simply pointing out that the minister has suggested a number of propositions which were not put forward. Let him deal specifically with the points that have been made. Let him indicate to us how far he is prepared to go in examining new methods for the speeding up of delivery by mechanical and other devices now available.

The history of postal service has been a history of improved service in most organized communities. In some of the larger cities of the world today there are several deliveries every day. Many people in these larger communities seldom think about using a telegram within their communities, because in some cases a reply may even be received by mail the same day. That has been the history of the development of efficiency and the encouragement of the use of postal service. It does not increase the desire to use the mail for business and other purposes, if other methods are open, when the service is cut to once a day. The fact that mail is only picked up once a day and only delivered once a day

often has the effect of delaying for two days mail that otherwise would have been received within 24 hours.

No one is more anxious than I am to see that genial smile on the face of the minister who is presenting this bill, but may I suggest that if smiles are to be found on both sides of the house he should not in future attribute to members of the opposition motives or statements such as were contained in the presentation he read to us this afternoon, and which I believe on re-examination he will agree do not correctly interpret the statements made by myself or other members of the opposition.

We are dealing with something that is related to our whole society. We are dealing with the oldest form of communication. The life of people throughout the whole of recorded history is set out in letters that have been preserved. There you find frank and uncensored opinions. You find the attitude of the people of the time with respect to both sides of a question. We find not only inspiration but much of the history of Christianity itself in the letters of St. Paul. We find the other attitude, the other side of the story, in the letters of the emperors and officials of the time who were opposing the expansion of Christianity. Right throughout we find the way people thought and acted disclosed in their letters. We find many of those little things that indicate how life carries one along some path. In looking for a quotation that I might use to deal with the situation, I happened to find a quotation from Pliny the Younger. Obviously, he had not been getting as many letters as he thought he should, and Pliny the Younger said in a letter addressed to his son:

> There is nothing to write about, you say. Well, then, write and let me know just this,—that there is nothing to write about;

From letters we can find how little life changes, and sometimes how little boys change, no matter how greatly the surrounding circumstances may change. That very wise, but not always acceptable writer, Voltaire, said that the post is the consolation of life. The old man who wrote the letter from which I quoted today was implying the same thing. Then, I recall the words of William James: "So long as there are postmen, life will have zest."

I do not suppose there is a single home where the arrival of the postman is not an exciting point in the day. I do not suppose there is a family where the arrival of the postman does not offer encouragement, and some news of their friends or relatives which is greatly enjoyed. An increase in that service is not only to be desired from the point of view of encouraging the use of the mail, but it is part of our society. I believe, on the one hand, we would be serving our people well by trying that out and by returning to multiple services. We would also be following ordinary business methods by encouraging more business, and in that way getting more revenue.

Mr. Speaker, I believe that this is a case that we should look at from the point of view of business, and the point of view of the relationship of the postal service to society itself. Before we are asked to impose this burden on the little man, for the benefit of those who will get free air mail service, I believe, on the one hand, we would be serving our people well by trying that out and by returning to multiple services. We would also be following ordinary business methods by encouraging more business, and in that way getting more revenue.

Mr. Speaker, I believe that this is a case that we should look at from the point of view of business, and the point of view of the relationship of the postal service to society itself. Before we are asked to impose this burden on the little man, for the benefit of those who will get free air mail service, I suggest we should have much more information before us than we have. Without any more information than we have before us now, it is certainly my intention to oppose this bill.

Mr. Alistair Stewart (Winnipeg North): Obviously, the minister is going to have a rather rough time with this bill. He is suffering, of course, for the sins of his colleagues, and he understands that. He grieved publicly in his first few words when he said that the arguments of the opposition had been repeated over and over again. He is quite right. We have repeated them over and over again, but how can we possibly get them to enter into the heads of hon. gentlemen opposite unless we do? We have been singularly unsuccessful. I have a feeling that the minister takes the position that since he has made up his own mind, he is now quite prepared to listen to reason. For the next few minutes I hope to speak in terms of reason as to why we are going to oppose this legislation.

We have already made it clear that we are going to do so. The minister has not advanced as yet an adequate case which would lead us to support it, nor has he given us reasons which we think are valid. The position that has been taken is that the principal cause of the deficit in the postal department this year is the advent of the five-day 40-hour week, the increase in salaries and the increases to contractors. I think it is specious reasoning.

Why is it that the employees of an organization must always be blamed for any increase in costs? Is there not another reason behind it? Is it not the fact that before the election this government removed a tax which resulted in a substantial loss of revenue to the post office? Is it not a fact that after the election the same government is imposing the tax, but in another area? Had that tax not been removed originally, there would have been no reason for the minister coming here today with this bill.

The minister maintains that a public service should pay its way. I do not think there is consistency in that position as between the minister and his colleagues. After all, why should the post office be the only department which is expected to pay its way? It is true it is providing a service, and that service must be paid for somehow or other. I think, for instance, of the Minister of Labour (Mr. Gregg), who has a department which provides a very important service to the people of this country. It is a service which is called upon frequently. It is used widely, and yet those who use it are not asked to pay the costs of the Department of Labour.

The Minister of Trade and Commerce (Mr. Howe) has a department whose services are used throughout the country, and rightly so. Those who use the services of that department are not expected to see that the departmental books are balanced at the end of each year. The minister states that the people who use the service should pay for it, and he regards it as a principle. Is he suggesting he is the only principled member of the cabinet? Is he suggesting the Minister of Labour is unprincipled because his department does not pay its way? Is the Minister of Trade and Commerce unprincipled because he does not make his department pay on the basis of public service?

What about the Minister of Public Works? He is in charge of a development which provides a service to the people of Canada, a means of communication, the trans-Canada highway. Are the users of it the only ones who shall be expected to pay for this service? Is there a principle there, or is the Minister of Public Works again one of my hon. friend's unprincipled colleagues? The minister stands above and far beyond any of them on the basis of his own arguments concerning principles.

Perhaps there is another reason for the deficit. Again, I am going to bring up this dreadful word "subsidies". The fact is that the imposition of this tax is going to penalize those who use the first-class mails of this country, and none other. There are deficits occurring in the post office because of hidden subsidies. The hon. member for Vancouver East (Mr. Winch) pointed out when he spoke that there is a hidden subsidy to the newspapers in this country in the form of mailing privileges. As he argued, and as I argue, why should that subsidy be borne by the post office? Why should that subsidy not come out of the consolidated revenues of the country, instead of asking one group in Canada, the users of the first-class mails, to pay for it?

The minister used the word "equitable" in this respect, and he considers this legislation is equitable. He said the cost of the service should be borne by the users. The fact is, however, that the cost is not being borne by the users; the cost is being borne by only that particular group using the first-class mails. That is not equity, and that is not fair. Were the cost to be spread across the whole population, then perhaps there would be a different approach to this subject. One of the newspapers which, of course, benefits from this hidden subsidy is one which a person would expect would protest most loudly against it. In Winnipeg, we have the Winnipeg *Free Press* which, on past occasions, has opposed all manner of subsidy to anyone else, but of course not to itself. I see no reason why I, as an occasional user of first-class mail—I say "occasional" because most frequently I use the frank—should have to help subsidize the Winnipeg *Free Press*. I agree that it might be unfair to ask the small storekeeper to subsidize the large operator of the mail order system, but any subsidy in the Post Office Department should come out of the consolidated revenues and not be charged against one particular group.

In this particular respect I should like to know, and perhaps the minister can enlighten us later, what is the actual cost of delivering a letter which goes by first-class mail. I know that in the United States the cost is a little over 3 cents. It would be very interesting to know what the cost is in this country. We should then be in a position to find out how much the users of first-class mails are going to subsidize other users of the postal system in this country.

There is another matter which I should like to bring up. It concerns a type of inefficiency which we find in the post office organization. It is not an inefficiency amongst employees; it is not an inefficiency in the staff anywhere. I, in common with all others, receive my mail; be it rain or shine, be it 40 below or 100 above, I get my mail. I have no complaint in that regard; I have written to the postmaster in Winnipeg asking him to thank the staff for the help they have given. But there is still inefficiency in the post office, and there always will be inefficiency as long as the post

office is used as the medium of political patronage. That is happening today. And when you get politics interfering with the administration of the post office, there, I fear, you are going to get unwarranted expenditures at the cost of course of the public.

There is a situation which exists just now in Winnipeg, and if the government would capitalize on it they could perhaps get some revenue, but I suggest it would be revenue taken in a most iniquitous way. This is actually what happens, and this is what leads to inefficiency in the post office. I have already taken the matter up with the department. This particular case will not be new. There is a drug store at Inkster and Main in north Winnipeg which has been a sub-post office for over 40 years. As an institution people know it is there. They are well looked after; the service is good.

One of the prominent members of the Liberal party in Winnipeg went to this drug store some months ago and said to the druggist: "You realize this drug store has been here for a long time and there is some rumour that there may be a change." I should say there had been a change in the ownership of the drug store. The new owner was an ex-serviceman who had fought for his country, and when he came back he bought the drug store and of course got the sub-post office, after the department had approved of the change. Since he was somewhat worried, the druggist, Mr. Chapman, went to see this prominent gentleman who had approached him and said: "What exactly do you mean, sir?" He was told that it was an expensive thing carrying on a political party. The Liberal said: "We need money; you have had the drug store for a long time. There might be a change, but I think the change could be averted if you could pay us the sum of $500." I am not saying that in north Winnipeg $500 is the usual price. There are some who pay only $200, but I imagine it ranges from $200 to $500 for the right to have a sub-post office. Is that the right way and the efficient way to go about creating a public service?

I have been approached, and I am sure other hon. members have as well, to assist somebody in getting a sub-post office. I do not know why they would possibly want it. I can conceive of it as being nothing but a headache, but they want it. I have said: "The department itself must decide, but I would suggest to you that you put in your store forms of petition asking people who come in to sign to the effect that they would like to have a sub-post office there. Then when you have enough names, send them in to the department and let it decide." Surely that is the reasonable way of going about it, because the department must know better than anyone else whether or not there should be a sub-post office in that location. But it does not happen that way.

During the election a druggist quite near to my committee room came to me and said that the post office had taken away his sub-post office. I found out the reasons why. They were perfectly proper. There was a change of ownership, and the post office naturally closed down the sub-office so that an audit could be made and an accounting could be taken. This man wanted a sub-post office and he approached me. I telephoned about his case to the head of the postal department in Winnipeg. A day or two later, knowing that it would not be an infraction of the law in any sense whatever, I took into this drug store a couple of C.C.F. window cards. The druggist put them in his window; that was all. The next day I went around and I found that the cards had disappeared and Liberal cards were in their place. Being somewhat intrigued I went to find out why and I was told that my Liberal opponent had gone into that drug store and had said: "Now, look here, do you want to get the sub-post office back? If you do, take the C.C.F. cards out and put Liberal cards in their place." I was not prepared to argue. The whole business was utterly absurd but it was the culminating act of many. That day, or the day after, I sat down and dictated a letter to the Prime Minister (Mr. St. Laurent), a letter which I never sent for the simple reason that on the day I dictated it the sub-post office was granted. This is what I had to say. Since I was prepared to send it, I think I should be prepared to read it. It is dated July 22, 1953, and reads as follows:

The Right Hon. L. S. St. Laurent, P.C.
House of Commons,
Ottawa.

Dear Mr. St. Laurent:

I have already complained to the Postmaster General of cases of unmitigated blackmail on the part of some of your supporters in Winnipeg.

I consider it blackmail when a person has to pay to render a public service. I continue with the letter:

There has been no action yet that I know of.

A Winnipeg man has applied for a sub-post office in his drug store at Mountain and Main in this city. Money has already been demanded from him by members of the Liberal party for the favour. The public need apparently does not enter into the picture.

The druggist had one of my election cards in his window. My Liberal opponent went into the drug store this morning and insisted that my card be removed immediately and his substituted. The druggist was warned that if he did not do so, the recommendation for the sub-post office would be cancelled.

I call this blackmail. It is a form of venality which has no place in public life in Canada and I would like to know within the next few days what is going to happen to this man's application for a sub-post office if he keeps my card in his window.

I cannot see for the life of me how the post office can assert its efficiency when certain areas are so dependent upon political pressure. The sooner that type of pressure is taken off the department the sooner will it be the efficient vehicle which we hope it can become. We in the C.C.F. are dissatisfied. We are dissatisfied with the measure which is before us. We cannot agree with the suggestion which has been made that there should be an increase in rates, because we see no justification for the increase either in reason or in logic. Therefore, Mr. Speaker, I move, seconded by the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher):

That Bill No. 168 be not now read a second time, but that it be resolved that in the opinion of this house a parliamentary committee should be established for the purpose of making an inquiry into the organization and operation of the Post Office Department and the postal services of this country.

Mr. Speaker: Is the house ready for the question?

Mr. Knowles: There is an amendment.

Mr. Speaker: I am sorry, I was interrupted in my listening to the hon. member's speech. Before I read the amendment I should like to tell the hon. member that, prior to the moment when someone came to the chair to speak to me, I had been listening to him intently and I was wondering whether he was not drifting away from the principle of the bill.

Mr. Stewart (Winnipeg North): I had suggested an alternative form of revenue which is quite iniquitous.

Mr. Speaker: It may be I was particularly attracted to the little story that he was telling the house, and that was the one which I felt was not precisely in order.

Miss Margaret Aitken (York-Humber): In the few brief months that I have been in this house it seems to me that one chief topic of debate has been increases. Here, there and everywhere, we are talking about increases for the unfortunate taxpayers.

Since this bill came forward I have had a good many letters from people in my constituency. They have not been letters from angry taxpayers, and they have not been anti-government letters, but I have found them pitiable and bewildering letters. Most of them are from old age pensioners. They tell me that when you have to live on $40 a month this extra penny becomes a real burden.

The minister told us today that the government does not believe that the Post Office Department should live off general taxation because that would mean that those who do not use the mails would be paying for those who do. I agree with that viewpoint, but I go further. Surely there are other ways of increasing postal revenues. This general increase certainly hits what the minister calls the little man far more than it does those who can afford it. As my leader said earlier, the little man is subsidizing the carrying of air mail more cheaply for the big man.

I suggest that one way in which revenue could be raised is to put the stamps back on cheques. Those who can afford to write cheques can certainly afford to buy stamps, whereas those who have to live on $40 a month simply cannot stand this extra burden. I would suggest that the seven-cent air mail postage be maintained. Those who want speedy delivery of their mail can afford to pay for the privilege.

The hon. member for Hamilton West (Mrs. Fairclough) has called this a back-handed subsidy to the T.C.A. Why should those who cannot afford the luxury of the T.C.A. be asked to pay this subsidy? Let those who want speed pay for it.

Truth to tell, I view with some skepticism the worthiness of the claim of speed and efficiency in our air mail service in Canada. In increasing the postal rates the minister offers us something of a sop when he says that he is decreasing air mail rates. I must say that he presented this sop in a most beguiling way. He told us that the air mail rate would go down to five cents and that, wherever it was expedient to do so, letters would be carried air mail whether they were so designated or not.

I do not feel too happy about this promise. The other day the hon. member for Fort William (Mr. McIvor) said that we wanted to do everything too fast, that we want a letter to reach its destination just a few minutes after we have written it. That of course is unreasonable. I have here three envelopes which were mailed from Toronto addressed to Woodstock, New Brunswick. Ordinarily these letters would take two and a half or three days to go from Toronto to Woodstock, New Brunswick. There was no extra postage on them, just the four-cent stamps, but they went air mail with speed and dispatch. In fact they went at such speed and dispatch that it took them 11 days to go from Toronto to Woodstock, New Brunswick. An interesting thing about it is that they went around by Goose Bay, Labrador, in order to reach their destination.

I wonder if the minister would consider a pithy little suggestion which a Toronto writer put forward the other day. Perhaps he would put out a six-cent stamp which would provide that the envelope would go by train only. This business of having our letters go air mail whether we want it or not is not always to our own advantage.

Mr. Cote: If my hon. friend will hand me those letters I will inquire the cause of the delay, whether it was by accident or otherwise.

Miss Aitken: I am opposed to this increase in the postal rates. I am not even convinced that it is necessary. One hon. member called it a preventive measure. If the Post Office Department needs increased revenues they should put the stamps back on cheques. I know it is a nuisance tax but there will not be an election for at least four years and they can get away with it for that long.

The cheque stamps would be a nuisance but they would not be the hardship to anyone that this general increase will be. I suggest also that we keep the extra two cents for air mail postage and let the T.C.A. woo and win its own customers instead of having them handed to them on a silver platter. Let us not allow one of the most important facets of Canadian life, the means of communication, to become a luxury instead of the right of every citizen rich or poor. For that reason I am opposing this bill.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I should like to ask a question for the sake of clarification. The Woods-Gordon report made one recommendation which on the surface seems to have a lot of merit. It suggested that if the post office savings banks were discontinued probably the banks could provide most of the service required and the taxpayer would be saved, I think it was $377,000. Listening to the debate, I do not think the minister has as yet made clear the government's position with regard to that recommendation. If it is true that that amount of money can be saved without resulting in any inconvenience to the people of the country, then I think we should know whether the government intends to proceed with that recommendation.

Mr. Speaker: The minister cannot answer now as we are not in committee. The hon. member has asked his question and it will appear on *Hansard*. Perhaps when the minister takes advantage of the right to reply he may answer the hon. member, or the question could be answered when we are in committee on the bill.

[Miss Aitken.]

Mr. Daniel McIvor (Fort William): Mr. Speaker, I shall be brief as usual. I contend that those who use the postal service should pay for it. I do not think that anyone who has attained the age of 65 or 70 years and has only $40 a month in the way of income will have very many stamps to buy.

Considering the opposition to the increased indemnity, I was hoping that the C.C.F. would bring in a motion supporting the hon. member for Charlotte (Mr. Stuart), who suggested that we cancel our franking privilege. We are getting an extra $4,000 a year and we should be able to pay for our own postage. Why should we ask the man getting only $40 a month to pay for our postage? Let us cancel our franking privileges and wind up this thing and help the Postmaster General (Mr. Cote).

I would like to speak longer on this because I think there is a lot of sense in it, but we have not heard anyone except the hon. member for Charlotte say anything about cancelling our franking privileges. If that were done it would result in more revenue for the Post Office Department and there would be a lot less mailing done.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I want to add a few words at this time in support of the amendment before the house. I believe this amendment, which calls upon a committee of this house to obtain the fullest possible information on the operations and administration of the Post Office Department and for the bringing in of recommendations that might be of assistance in providing more efficient postal services, is vitally necessary at this time. If I was not in favour of the amendment before then, the speech of the Postmaster General convinced me that it is necessary, because the more he spoke the more confused the entire situation became.

I believe his proposals are contradictory. This afternoon, for example, the minister time after time reiterated that those who use the mails must pay for them. I maintain, Mr. Speaker, that until he has demonstrated that the principle which he enunciated is in effect, then he has no business whatsoever in asking this house to authorize an increase in postage rates. The minister is definitely putting forward a basic principle which he himself knows is not in effect, because those who use the mails in all categories are not paying for the services they receive.

I am not going to take up the time of the house in expounding at too great length what has already been mentioned by several

speakers this afternoon, namely, the matter of second-class mail. If the minister is correct in his assertion that those who use the mails should pay the costs, then he ought to carry through his own contention and make those who use the second-class mail carry the second-class costs. If this were done I am convinced, from what I have heard, that there could not possibly be any deficit in the coming fiscal year.

As regards the minister's contention that those who use the service should pay, I want to add my voice in support of those who have already said that the various departments of government should not have the right of using the frank, which admittedly is a charge of $4,000,000 on the Post Office Department. That $4,000,000 is for administrative costs of government itself and administrative costs of various departments and it should honestly be charged as such. If that were done, there would be an immediate saving of $4,000,000—I believe that is the correct figure—on the charge for postal services.

There is another angle of this phase of the department's operations and that is this question of franking privileges. I am convinced an examination of this question would not only place the postal service in its right perspective, but would also save the taxpayers of this country a great deal of money. I have been absolutely amazed in the time I have been here, since becoming a member of parliament, at the terrific amount of mail I receive from government departments. I would make a bet, if it were legal to do so, that if a check were made on the wastepaper baskets in members' offices this very evening there would be found such a stack of envelopes and discarded material from government departments as to astound everyone. I have spoken to member after member and they have told me they have reached the point now where they do not even bother to open much of that mail but simply tear it in half and throw it in the wastepaper basket.

An hon. Member: Not here; we open it and study it.

Mr. Winch: If you spend time on reading all the material from government departments, I do not know what you can possibly get out of it.

I believe that from the angle of efficiency and of lowering costs the minister's own principle of making those who use the mails pay for it should be extended to all categories of mail. Until that has been investigated by a committee of this house the increases proposed by the minister should not be passed at this time. Therefore, Mr. Speaker, I am very strongly in support of the amendment which is now before the house.

Mr. R. H. Small (Danforth): Mr. Speaker, the speech of the Postmaster General (Mr. Cote), supplementing the remarks made when a resolution calling for an increase in postage rates was presented to this house, has little to commend it because the minister failed to establish by facts and figures his contention that the increase is necessary.

According to the Postmaster General the estimated deficit for the department will amount to $7,500,000 through the loss of revenue due to the cancellation of the excise tax on stamps for use on cheques. He estimates that there will be a $5,000,000 deficit due to the adoption of the 40-hour week; $7,000,000 due to the increase in wages of general post office staff; $1,500,000 due to an increase to rural mail couriers; and approximately $1,000,000 covers increased awards to railway companies. All these estimates belong in the realm of conjecture.

The addition to post office revenue of moneys arising from excise stamps on cheques was unwarranted, for this tax had its proper place in the consolidated revenue fund. To suggest the inclusion of the receipts from this tax in a post office department surplus or deficit was entirely wrong in the first place, and the only conclusion that can be drawn is that it was an indirect way of supplying the funds that were necessary for subsidies and subventions within the department. It is now apparent that these concealed subsidies will have to be paid from the consolidated revenue fund and not from postal revenues.

As to the deficit attributed to salary increases, it is quite evident that the predicted deficit will disappear through the normal expansion of business which, according to the department's own figures, shows an average increase per annum of $4,100,000 and which in turn exceeds expenditures by $100,000 per annum.

Further support for the claim that the government has blundered in proposing increased postal rates at this time may be found in the J. D. Woods and Gordon, Limited, report, which was so abridged in the Postmaster General's report that one could only obtain the gist of its content. After reading a major portion of this report I came to the conclusion, as many hon. members have surmised, that the department has allowed the perfection of its service to deteriorate because of inadequate staff and equipment, and

that an overburdened staff could not cope with the demands of an expanding economy and an increased population.

It is my contention that the department has only to put into effect the recommendations of the report in order to return to its previous halcyon days. Had the government made a sincere effort to study this report they would have found it a veritable gold mine of useful suggestions, observations and recommendations. It clearly points the way for the pay-your-way advocates. Here are a few comments from the preamble to the survey. I am quoting from page 11:

> We have been impressed by the over-all efficiency of the department and the basic soundness of its organization and administration.

The Leader of the Opposition drew attention to that quotation. But page 12 contains this, and I quote:

> Prior to war, the services were steadily expanding. During the war the expansion accelerated and has continued at an ever-increasing pace. The established policy of successive governments was that expenses should be kept within the confines of postal revenues.
>
> That expenditures on salaries and services have increased substantially since 1945.
>
> There was also a substantial increase in the volume handled.

On page 13 the report continues:

> The principal object of the survey was to consider the over-all organization structure, for improvements in the service, and not merely ways and means of cutting costs.

Now, Mr. Speaker, that survey has the right approach as regards the method of improving the service without reducing staff.

On the general over-all organization of the department we find these recommendations on page 16:

> (f) Provide and arrange for the erection of letter boxes or other receptacles at such locations as he deems appropriate, in which mail or mailable matter may be deposited or stored.

I will have further comments to make upon that matter later. On pages 19-20:

> That decentralization has gradually taken place through pressure of events.
>
> The senior officials of the department raised the problem of the difficulty of carrying out adequate operational planning under adverse circumstances, as they were fully occupied in their daily routines, with no opportunities to appraise the over-all situation and plan for the future.

Then on page 21 you will find this:

> This is common to all organizations operating on a stringent budget. The staff who should be dealing with long-term plans are called on to assist in meeting the peaks of normal operations, and gradually become so involved in routine matters that they are unable to carry out their planning function.
>
> Steps have already been taken to deal with this problem by some appointments, headed by a special assistant to the deputy postmaster general.

> However, it is apparent that the number of qualified staff presently available for this type of work is completely inadequate to deal with the problems encountered throughout the department.

Here again is shown the need for more staff, and an effort made to meet the situation by the appointment of a key official.

At page 27, under "Grades of Staff":

> In an operation of the magnitude of the Post Office Department, it is essential to have a sufficient number of top level positions of adequate remuneration to provide the incentive to high calibre men to join the service and make it their career.

Then on page 33, section II:

> The work of the operations branch has over the years increased to the point where the staff at all levels are overloaded with a multitude of routine problems and correspondence. No one has had time to develop policies which can be applied on an over-all basis.

Then on page 34 under the heading of "Adequacy of Staff":

> It is essential that detailed consideration be given to new construction in order that the most efficient operating methods be incorporated in the designs. Quite properly, the postal superintendent in charge of the buildings division has concentrated on this phase of his activities. All the staff in the division have been so engaged and they have not had time to seek out and introduce operating economies throughout the existing post offices. Our survey has disclosed that there is room for substantial savings through better lay-out, equipment and control.

Then on page 35, under "Equipment and Material Handling":

> Certain improvements in equipment or methods which have been introduced in some post offices have not been made available to other offices as there is no machinery to pass on the experience gained or to ensure that the most efficient methods are used throughout the organization.
>
> Our examination has indicated that there is opportunity for substantial savings if the best use were made of staff and equipment.

Controls.

> The branch is operating under severe handicap as there are no standards established to measure the relative efficiency of a given method of operation. The lack of such standards is particularly felt when requests are received for additions to staff or accommodation. The lack of such a standard also makes it difficult to appraise the benefits which might be obtained from improvements in methods and equipment.

On page 37, under "Mechanical Engineering Division":

> This division should make detailed examination of the equipment and lay-out presently in use. This study will disclose great differences in equipment. Equipment installed many years ago is still being used, although more efficient equipment is available, and no attempt has been made to standardize it.

On page 39, under "Postal Service Division —Letter Carrier Service", we find this. I may say that this is one matter in which we are all vitally interested.

> There is a need for a re-appraisal of the services being provided at various centres across the country.

The department should be continually examining the nature and extent of services provided, and be prepared to make alterations to keep pace with changing conditions.

At pages 39 and 40, under "Revenue, Post Office Division":

It is essential that this division should delegate operating responsibility and authority to the field organization. At the present time, decisions are based on information collected in the field. This results in voluminous correspondence, and delayed action. In many cases, the men who collected the information in the first instance are in the best position to make the decisions.

I would add this. There is in the department nothing more disconcerting and more demoralizing than to have suggestions offered by the staff with regard to various improvements either ignored or not acted upon. Under "Methods and Procedures", on the same page we find this:

The staff available for this work has proved inadequate, and the existing manuals were in many cases issued years ago and are now to a large extent obsolete.

The production of up-to-date operating manuals should more than repay the expenditure involved in staff salaries required to prepare them. At the present time, there are numerous errors occurring throughout the service, and the correction of each one requires the expenditure of time and labour. Clear instructions should do much to reduce the number of errors.

It should be quite apparent to anyone who is on the operations staff that that would be good business and would be a good method of improvement. Here again is failure to take full advantage of information gained and to introduce needed improvements. On page 42, under "Workshops":

It was noted during our survey that a number of these workshops have extended their activities to the manufacture of equipment, such as cupboards, waste paper containers, binneys and skids, and to the repair of typewriters and other office equipment. These workshops were not established for this purpose, and it is questionable if this type of work is economical.

At pages 43-44, under "Time Study—Equipment Design":

One of the time consuming tasks in the post office is arranging letters on their arrival so that the addresses can be read and the stamps cancelled, —the "facing-up" and "primary sortation" operation. The use of conveyor belts and changes in equipment would allow two operations to be combined. While this plan will require further development, there is an indicated annual saving in the forward letter section of the Toronto post office alone of approximately $200,000 per annum.

Work Place Layout

In our opinion there is a tremendous scope for this work, and we feel that the benefits which would be derived would far outweigh the cost.

Post Office Act

Here is a case where they venture to place the saving at 20 per cent. At page 49, under section III, "Transportation Branch—Planning":

Pressure is continually brought to bear on the branch by the public, or through their parliamentary representatives, to institute new services, or to extend existing services. The officials investigate these proposals and finally accept or reject the individual submissions.

These decisions are often difficult, for while the cost of providing a service can be calculated, the benefits are not easy to evaluate. This has left the branch in a position of continually taking a defensive stand in regard to new proposals.

Little effort has been made to appraise the whole transportation problem, and to develop a rational plan or policy to govern future operations and methods. This lack of planning appears to be the most serious shortcoming of the branch.

At page 57, under "Establishment and Extension of Services":

The department in many cases has not considered the establishment of completely new services, or the extension of existing services until public demand has drawn their attention to the need for such action. This has resulted in the services varying according to the demands of the public in various parts of the country.

There should be a constant review of the services to be in a position to anticipate complaints.

At page 57, under "Transportation—Within Cities":

A limited survey of conditions in Toronto disclosed that the planning of this pick-up and delivery service had not been given the consideration which it deserves. A careful planning of routes and scheduling of services should reduce the transport required by the contractor, and the time the transport would be in use, thus reducing the cost to the department. In larger cities, where continued changes in traffic regulations are being made, this is a full time job. Officers should be appointed to study this problem.

The last three quotations I just read from pages 49 to 57 give a fair and impartial summation of what has happened generally, but particularly in suburban areas, and the members representing such ridings know the end result thoroughly, because they are constantly approached by their constituents to improve these services of which they are so sadly in need and to which they are entitled. On page 58 rural mail couriers are dealt with as follows:

This question has many broad aspects, and a clearer policy seems indicated. It would include further developments on standards of service, and the possible introduction of fulltime couriers employed, and provided with motor transportation.

I will go further here and make the comment that in the report reference was made to the fact that there was supposed to be a study of the situation with regard to rural mail delivery by a committee of the house. But that was not pursued further and no action was taken with the exception that an

increase was granted to them. That has been the only action so far. There still has not been any investigation of the conditions under which rural mail couriers find themselves. On pages 76 and 77, in section V dealing with the administration branch, there are the following observations and comments under the heading "Financial and Statistical Controls":

> It has been recognized in the department for some time that there is a lack of information on which to base policy decisions and control activities. The only existing data which can be used to compare the operations of two post offices is the dollar revenue received by post offices. This is not an adequate measure of the volume of work performed by each. This lack of information is particularly felt when additional staff or space is requested. It is not possible to decide whether these requests are justified by comparison with other similar operations.
>
> A cost division has been established to devise a practical method whereby the cost of handling various types of mail could be established or estimated. It has made some progress and each year reduces the cost of the various postal service estimates.

On pages 77 and 78 there is the following:

> During recent months a few of the larger post offices have been asked to estimate their expenditures in advance and submit monthly reports comparing their actual expenditures with these estimates. It is recommended that the development of controls be pushed forward vigorously.
>
> The immediate goal should be the production of regular monthly statements for the various operations in the major post offices showing:
>
> (i) Actual expenditures for the period on an over-all and unit basis for each operation.
>
> (ii) Similar figures for the same period in the prior year.
>
> (iii) The budget figures for the period.
>
> The information contained in the monthly statements of individual post offices should finally be compared on a unit cost basis and differences investigated.

These are some of the salient points picked at random from the survey, a selection of opinions, observations and recommendations, and a fair summary of them would be that there is no system or method of breakdown to determine the cost of each operation within the postal service; that decentralization has taken place by the very force of circumstances and not by any conscious policy of the department; that the survey is interspersed with comments on the lack of competent personnel and the need for modern equipment, and because of this the senior officials cannot solve the many problems confronting them, let alone carry out adequate operational plans; that this lack of planning is evident, whether caused by neglect, pressure of work or complete indifference; that work has increased to the point where the staff at all levels is overloaded with a multitude of routine problems and correspondence, and no one has had time to develop policies and the situation has produced a catalogue of deficiencies.

[Mr. Small.]

I shall now revert to page 18 and the chart of the organization set up for the top level—the Postmaster General, the deputy postmaster general, a chief executive officer to be assistant to the deputy minister, and a special assistant. Their duties are also defined. The one I am interested in is the special assistant whose position is defined on page 18 in these words:

> There is also a special assistant who has been carrying out special assignments of a planning nature.

All through the survey it is indicated that there is a pressing need for such an official. How long has he been appointed and where has he been? In the face of the facts presented, is this lack of staff again, or is it a question of too late and too little? The survey reveals that some changes have been in operation for some time, that some have just been initiated and that the remainder are in the realm of probable outcome. While the survey implies that a reduction of staff will result in certain instances, these people can be absorbed by transfer and promotion to departments now undermanned, and an abundance of opportunities will be provided for ambitious personnel with talent to aspire to higher positions.

It is now abundantly clear that we have established our claim that the government has made a major error in introducing a bill to increase postal rates before effecting the reorganization of the department. We are entitled to have the plan of reorganization tried out before the imposition of the proposed increases in rates, and to insist upon these increases before the plan has had a fair trial is an affront to the people of this dominion. Let me state that all through the survey positive statements have been made by the consultants that savings can be made. Such assertions are repeatedly made, and the report even goes so far as to say that the savings would amount to approximately $1 million.

When the minister presented his statement today supplementing what he had previously said, he said he had been further advised by the consultants that the proposed changes to be put into operation would result in an increased cost to the department of over $700,000 and that this would be an added burden on the department. This advice is not contained in the survey. It clearly indicates and points out where savings can be made. As far as the increase in staff is concerned, I do not think it is going to be as great as mentioned. I think that men of talent required for the top level positions will be produced, and you will have to establish a training school to develop them.

It seems to me that no attention is being paid to the development of staff for future use. It has not been established when the service deteriorated into a deplorable state. The fault is attributed to no one and I am trying to find out whether there is not some person in the department to whom some vestige of responsibility can be attached.

The only place in the survey where I can find any indication is where reference is made to the appointment of a special assistant to the deputy minister. In fairness to him, the only thing that remains to be established is when he was appointed and what time he has had to accomplish the improvements mentioned as being necessary in the survey. I would say that this survey, on the face of it, is a wonderful one. It is not a woebegone chant or the lament of selected Jeremiahs trying to establish that there is something wrong with the operation. It is surprising that the postal department has been so good and has provided us any service at all in view of the handicaps under which it has had to operate.

If further staff were provided and the improvements implemented, the increased revenue that would result would more than make up for any loss caused through the adoption of the 40-hour week and increased wages for the mail carriers. On the face of this survey I say that the government has been ill-advised, and commits an outrage on the intelligence of men who are supposed to be of $10,000 a year calibre by putting this kind of proposition forward without first putting into effect the improvements which the report says can be accomplished. I think that this should be further questioned, and that the minister would be well advised to impress upon his colleagues that this is the time to show, for once, a little intelligence. I believe this bill should be withdrawn until such time as the minister has an opportunity of convincing them that there will be surpluses instead of the deficits that have been predicted.

Mr. J. W. Noseworthy (York South): We have heard from a number of members in the house, and we have seen quite a number of brickbats thrown across the chamber at the Postmaster General (Mr. Cote). This has been true, not only in this session but in previous sessions, and I have probably thrown some myself. Before I throw any this afternoon, I want to publicly express my appreciation of the co-operation which I have received from the Postmaster General's department, and particularly the Toronto postmaster, with regard to cases I have brought to their attention.

I have found the postmaster at Toronto and the postal officials here, particularly since the present Postmaster General took office, quite ready to investigate any case which I have referred to them. I have had occasion to refer complaints about delay in mail delivery; I have had occasion to refer complaints about the time of the delivery; complaints about the location of post office boxes; complaints about the inadequacy and unsuitability of sub-post offices in my riding; and in each and every instance I found the department ready to investigate the complaint. I think that wherever there was justification for the complaint, or where the service was suffering by reason of these particular circumstances, changes have been introduced and improvements made. I find that the tension which existed, certainly two years ago, as between the general public and the Post Office Department on the one hand, and as between the postal employees and the Post Office Department on the other, has lessened considerably.

I keep in fairly close touch, both with the postal employees and with the service rendered by the post office in my constituency. I have every reason to believe that there is much less dissatisfaction today with the service being rendered, certainly than there was one or two years ago. I have often wondered just how the post office functions as well as it does, considering the frequency with which postmasters general are changed. Since I have been here I would say that no postmaster general has ever held that office long enough to really acquaint himself with the business of the post office—

Mr. Knowles: They get promoted.

Mr. Noseworthy: —or to take any effective action towards improving that service. I do not know who runs the post office. Certainly, it is not the postmasters general, because they never hold the position long enough to become acquainted with the post office. I do not know why cabinet ministers do not want to hang on to that position longer. It may be because there are so many headaches in it that just as soon as they find out how many headaches there are they want some other cabinet position or some promotion. Certainly, I would think that is the basis of much of the trouble in the Post Office Department. I would recommend to the cabinet that once they get a good Postmaster General they keep him in that job for a while and give him an opportunity to do something.

The bill before us is based on two theories. The first theory is that the post office should

be placed on a paying basis. I think that is a basic question that the house and the government should consider. I believe it is one of the questions that a committee such as is recommended in the amendment could investigate at some length, and a question about which we could get more than the opinions of postal officials themselves. I suspect this idea that the post office should be maintained strictly on a paying basis is a tradition that has grown up over the years amongst postal officials, and one that has not received very careful examination. For the life of me, I do not see why the post office should be singled out as the one public service that should be placed on a paying basis.

I do not see why the post office, for instance, any more than the Department of National Health and Welfare should be on a paying basis. It is a service department. I have not heard anyone suggesting that the Minister of National Health and Welfare (Mr. Martin) should collect enough revenue to offset all the expenses of his department. The mines branch of the Department of Mines and Technical Surveys is rendering a service to the mining operators in all parts of this country. I have never heard any suggestion that that department should collect from these mining companies enough fees to offset the expenses of the department. The whole question is, why should the post office be the one department of government rendering a public service that should pay its way? I think it is a fundamental question that should be examined.

The second point, of course, is the statement by the Postmaster General that the users of this service should pay for it. Even if you accept the theory that the over-all service rendered by the Post Office Department should be paid for by those who use the service, in other words that the revenue coming into the post office should be sufficient to offset the total expenditures, there are groups of people being served whom it would not be in the interests of the country generally to require to pay for the service.

About two years ago, I believe, the government brought in an amendment to the Post Office Act to increase the rates on second class mail. There was a flood of propaganda from newspapers and magazines against the original government proposals, and the consensus in this house and, I believe, in the country was that by enabling Canadian citizens to receive newspapers and magazines at a lower cost than the actual cost of carrying them, and thereby keeping down the price of those newspapers and magazines to the public, the government was rendering a public service. If I remember correctly the government, in the face of that propaganda, modified their original suggestions regarding the rate that was to be charged. I quote that as one example to prove that we certainly do not expect the users of the post office to pay the whole cost of the service. We do not expect the editors and publishers of newspapers and magazines, nor do we expect the individual subscribers to those papers and magazines, to pay the whole cost of the postal service.

I just cannot see why one group of people who use the services, the group who use the first-class mail service, should be called upon to carry the deficits which result from giving other users a service below cost, especially in the light of the fact that the users of first-class mail are the one group of users of the public service who not only pay for the service they get but every year contribute a considerable surplus to help carry other branches of the post office service.

I am going to support the amendment. I am sure that as far as his office is concerned the present Postmaster General has no greater ambition than to see that that service is maintained on as efficient a basis as possible. I would think that the Postmaster General would welcome the setting up of a committee before which he and some of his officials could appear, and at which a study of the whole administration of his department could be made. If the department is administered as efficiently as the minister would have us believe it is, surely he has nothing to fear from the investigation of such a committee. I would think it would be a feather in his cap to have a committee set up and to have his officials come before it and to find out that he has the most efficiently run department in the government service.

If on the other hand we can discover ways and means of improving this service, I am sure that the minister would welcome any suggestions along that line. We are told that there is nothing perfect. It is just possible that the administration of the post office may not be perfect in every respect. It is just possible there may be ways of improving it; and if by the type of investigation that is visualized by the mover of this amendment we can improve that service to the public, then by all means let us do it. I hope the minister will consider the possibility of having such an investigation.

Mr. F. G. J. Hahn (New Westminster): I should like to say a word in respect to the amendment. The charge has been made that we have political patronage in our postal department. I for one feel that the hon. member for Winnipeg North (Mr. Stewart)

was certainly right on the beam when he said that. We find it apparent everywhere. We need only go to our own particular ridings and examine some of the incidents and we shall find probably no end of them.

Perhaps it is a coincidence that in my particular riding the post office at Newton—it is a rather small one—should have required a new postmaster this year. I would not charge that this was a particular case of political patronage. There are about six or eight boxholders in that Newton post office, and it does a very substantial business. The reason it is doing such a substantial business is that the area surrounding the post office has a rural route, and naturally these people have to get their mail through the rural route. They buy their stamps and their postal notes, and so forth, at their nearest post office, which all helps the post office business.

Apparently, under the existing act the only people who can apply for a postal position of that particular kind are those who happen to get their mail at that post office. War veterans wanted to apply for the position but because they happened to live around the area, perhaps not more than 50 yards or 100 yards from it, and were on the rural route, they became ineligible. I wrote a letter to the postal officials and explained the situation but apparently the rules prevented them from changing the system. We found that a young man who was not a war veteran—I do not say that we must necessarily put war veterans in every position—got the position, since there were only one or two other applicants eligible and they were found to be, shall I say, of an inferior nature.

Another instance that I have in mind has to do with the post office that serves my own community. Some three or four years ago we had occasion to require a larger postal outlet. The people in the community knew nothing about the post office until it practically became a reality. The fact is it was only through representation on my part, and from one or two other prominent citizens, that they took it from a proposed building in a lane and forced the man who got the contract finally to build it up on the highway to which people had access. I would say that the rents for a building such as that were excessive. When you have to pay about $5,000 a year for a post office building which is only 120 feet long and 60 feet wide, I would say you are paying too much, especially in a rural area.

In the Cloverdale area a department, possibly the Public Works Department in this instance, hopes to build a federal building which is to be used for the purpose of housing the post office. When you pay $22,500 for a two lot building site in a small town of about 500 people, I think it is a little excessive. I do not know how the departmental officials feel about it, but it would appear to me that there is some patronage involved.

I now come to the most specific cases of patronage that our postal officials give. I refer to the users of second-class mail. I do not think we can reiterate that statement too frequently in order to bring it to the attention of the Postmaster General (Mr. Cote). There is no way that you can get the support of the newspapers more freely than to give them a cheaper rate of postage than anyone else.

That brings in the matter of efficiency. The Postmaster General was quite happy about the efficiency report he had received on the service. It sounded very good. However, would you call an automobile an efficient automobile if there was a continuous drip of gasoline from the gas line? I would say that in comparison our Post Office Department is not an efficient department if the users of first-class mail must continually give in order to keep the second-class mail in operation. To my mind that is certainly patronage.

Business today exists for profits. If a business finds its profits sagging it will examine its books. In this particular instance we are operating a big business—the post office business is big. Apparently its profits are about to sag and we must examine the books. We are told that the big businessman is going to pay for this first-class mail, but let us examine things a little more closely. If Eaton's, the Hudson's Bay Company or any large mail order house finds that its profits are sagging, the management will be told they must make a profit. Where are they going to get that profit? They are going to pass on this one-cent increase in the postage to the consumer. It will go right back to the little man who in turn will be subsidizing the second-class mail for newspapers.

Postage stamps will be no exception to this ruling. Big business bases its costs on small items like stamps, light, heat and other overhead items. It gives nothing unless—perhaps I may be so blunt—it donates to political slush funds of the party that is going to see to it that these postal rates continue to give them a better deal.

If the little man is going to be protected, and I think he should be, we should see to it that he gets the cheapest service it is possible to provide. We should examine our efficiency. I was happy and surprised to hear the hon. member for Winnipeg North (Mr. Stewart), a socialist, suggest that we should examine

one of our greatest socialistic institutions. I was glad to see that he recognizes that a system of patronage can offset any socialistic idea that he may have in mind for the future.

The Postmaster General referred to earlier debates and he referred to the suggestion that we should live off post office surpluses. He said that it cannot be recovered from the public treasury. I have no doubt that it cannot be recovered from the public treasury because it does not exist. He is quite right there.

Mr. Cote: My hon. friend is misquoting me. I did not say it could not be recovered; I said that even if it could be recovered there still would be no surplus in fact.

Mr. Hahn: I stand corrected. Even if it could be recovered, but it does not exist in fact. That is what the minister said and that is what I intended to say. We must examine the facts very closely. The minister has suggested that $20 million has been made over a 20-year period. But the charges were not all-inclusive to the post office. Business does not operate that way. Why should not all these charges be charged to the Post Office Department?

Why should we keep hoodwinking the Canadian public by telling them that the Post Office Department has made $7 million, $5 million or $10 million. Let us tell them the truth, that their Post Office Department has cost them a million a year, that they were in debt last year to the extent of $5 million. It is ridiculous for us to say that we made $3 million or $5 million profit last year and did away with the excise stamp on cheques; that there was that additional profit and we are not going to be in need of it. I do not know whether that was an election ruse; I do not pretend to know and possibly nobody knows. My position is that as long as the condition exists today whereby the taxpayer is going to be charged more money without every fact being examined in full detail, then I cannot support the idea. I am ready to support the appointment of a committee, as suggested by the hon. member for Winnipeg North.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I was interested in reading the amendment moved by the C.C.F. party to the motion for second reading. The amendment reads:

> That Bill No. 168 be not now read a second time, but that it be resolved that in the opinion of this house a parliamentary committee should be established for the purpose of making an inquiry into the organization and operation of the Post Office Department and the postal services of this country.

After what has been said by the leader of the official opposition, there could be no question but that we would be in full agreement with the first part of the amendment, namely, that Bill No. 168 be not now read a second time.

Mr. Knowles: Or any other time.

Mr. Fulton: Or, as the hon. member for Winnipeg North Centre says, any other time. I am interested particularly in the second part of the amendment which suggests that consideration be deferred until the matter can be discussed by a parliamentary committee. I imagine that most hon. members will agree that a parliamentary committee or any committee to get information on the matter, in view of our feeling that the measure is ill-conceived and ill-timed, would be desirable. But what does interest me, without making any further comment on the matter, is that this suggestion that the matter be studied by a committee comes from a party whose members not many days ago greeted with some ridicule or attempted ridicule a similar suggestion which we made when dealing with another matter. We suggested at that time that nothing would be lost and a great deal would be gained by having a proposal which affected us personally referred for other study—

Mr. Knowles: To a royal commission.

Mr. Fulton: —to a royal commission or to a parliamentary committee. That was the suggestion made on this side. As I say, a good deal of ridicule was advanced against that proposal and it was suggested that it needed no further study, that we could deal with it ourselves, and that we really did not need the benefit of any other assistance or any further study of the matter.

I only point out that it is strangely inconsistent for a party which takes that position on one matter to advance an almost similar proposal when dealing with another matter.

Mr. Knowles: That is not true at all. You were taking that matter outside of parliament whereas our amendment keeps this question inside parliament.

Mr. Fulton: Obviously hon. members are worried, but I just remind them again that when they objected to a royal commission we said that we were prepared to send it to a parliamentary committee if that would suit them better. I did not notice that the hon. gentleman indicated any readiness to accept the second proposal.

Having said that, I would point out that the effect of the amendment, if carried, would be to delay consideration of this matter. Indeed, the Leader of the Opposition (Mr. Drew)

when speaking on this present bill, and as reported at page 1153 of *Hansard*, suggested to the Postmaster General (Mr. Cote) that he would be well advised to withdraw the bill and study it further before bringing it in again. In effect, therefore, the motion moved by the C.C.F. party in this instance merely places in a formal manner before this house the suggestion made by the Leader of the Opposition on that earlier occasion.

For myself, I cannot see very much reason why I should not support this proposal as at least a suggestion which would result in a further delay of the bill before the house. In case there should be any doubt, sir, I can certainly say that even if this proposal would not carry, then we will stand by our position that the bill should not be proceeded with and, as the Leader of the Opposition indicated, we will most certainly vote against it.

I believe we should deal in some detail with the reasons why the government's proposal should not be accepted by this house. The Postmaster General again this afternoon based his arguments in favour of the bill on the fact that without the proposed increase the Post Office Department would incur a deficit of approximately $13,500,000. I want to deal with two or three other methods by which this hypothetical deficit could be dealt with, and methods which would be an alternative to the increase in rates now proposed.

I refer first to the question of franking privileges. Earlier this session, on December 16 to be exact, I asked the Postmaster General how much it was estimated the franking privileges available to government departments cost the Post Office Department, and how much revenue the department would receive if government departments had in fact to pay for their mail services. The answer which I received to that portion of my question reads as follows:

> Based on periodical checks made at the Ottawa post office it is estimated that the postage involved on free mail posted by or addressed to government departments and agencies during the fiscal year 1952-53 was $4,060,230.

Therefore, based on the estimates for the last fiscal year there is a possibility of increasing revenue to this department by over $4,000,000.

When the Postmaster General was dealing with that this afternoon he said—I took his words down and if I missed anything I would ask him to correct me—he said in effect that the elimination of the franking privileges would cover only a small fraction of the increased costs which his department is now facing, and which, as he said, would result in a deficit of $13,500,000 if this proposed increase were not accepted. But, Mr. Speaker, according to my calculations the elimination of the franking privileges would result in increasing the revenue to the department by approximately one-third of his anticipated deficit, and one-third cannot be described as a small fraction.

It is true, as the Postmaster General pointed out, that if other government departments were required to pay for their mail the taxpayer would in the long run have to meet the cost. But the position at the moment, according to indications we have from the various monthly reports of the Department of Finance, is that there is a substantial surplus of revenues over expenditures to date in the fiscal year; and certainly, if the calculations of the Minister of Finance (Mr. Abbott) are correct, we will end up with a surplus this year. I believe we will actually end up with a much larger surplus than the minister forecast. Therefore, it would not involve an increase in tax rates to absorb the extra costs, and to provide extra revenues for the Post Office Department, which would be occasioned if other government departments paid for their mail.

That extra cost would be more than covered by anticipated surpluses of government revenues over government expenditures for the current fiscal year, and thus an increase in taxes is not a possibility, certainly not a necessity if that suggestion were adopted.

I would suggest, Mr. Speaker, it would be much sounder accounting practice for the Post Office Department to be credited with the amounts which would otherwise be paid to it for the purchase of stamps by other government departments, and that there should also be included in the estimates of this house a credit for the franking privileges now enjoyed by hon. members.

I am not going to deal with the question of whether our franking privileges should be taken away, except to repeat the statement I made earlier, when the hon. member for Charlotte (Mr. Stuart) was speaking, that if he is serious about his suggestion he has but to move a motion, which he suggested someone else should move, and I will be glad to support it.

I would also point out to the hon. member for Fort William (Mr. McIvor), who also seemed reluctant to take the responsibility and who asked somebody else to move the motion, that if he is prepared to give up his franking privileges all he or anyone else has to do is to move a motion. In addition, there is nothing to stop him going down to the post office and buying stamps for all his letters,

nothing at all, if he puts that forward as his solution. But I do not see why he should ask someone else to move a motion.

As long as franking privileges are extended to members of parliament I believe it would be a sound thing to include an amount under a legislative item which would cover the revenue that would otherwise revert to the Post Office Department if our mail in fact were required to carry postage stamps. In that way, and if the same thing were done for other government departments, there would be a very substantial increase in revenue for the Post Office Department at no greater expenditure to the taxpayer, because somebody has to pay for the carriage of mail in any event.

The hypothetical deficit, which seems to worry the Postmaster General so much, would be decreased by almost one-third of what he anticipates it would otherwise be.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Fulton: Just before six o'clock, Mr. Speaker, I had dealt with the fact that although the amendment now before the house is, as I see it, somewhat inconsistent—in fact entirely so—with the attitude expressed by the members of the C.C.F. party on an earlier occasion, still as giving a further opportunity for study and providing, if it were carried, a means of delaying the passage of this bill, I felt that we should support it because we like to be consistent ourselves even though our opponents are not always consistent.

Mr. Knowles: I thought we settled that matter before supper.

Mr. Fulton: I indicated that therefore in all probability we would support the amendment which they have moved. I then dealt with the question of other possible methods of avoiding the entirely hypothetical anticipated deficit which would otherwise arise out of the operations of the Post Office Department if the government's proposal were not carried. I had pointed out that if other government departments—and indeed the House of Commons—were to provide, through their estimates, for the meeting of the cost of carrying their mail, there would accrue to the Post Office Department an additional revenue of something over $4 million which would be approximately one-third of this anticipated deficit. I certainly suggest that that method should be adopted as one of the methods which would be preferable to the imposition on the people of Canada of an additional tax of one cent on the first-class letter mail.

Then there is another way in which this anticipated deficit could be met and which would obviate the necessity of an increase in postage. That would be by requiring those who wished to use air mail service to pay for it. In this connection I want to put forward a point of view which applies particularly to the people who live in rural areas. I have said before, in discussions of the post office estimates and of other measures submitted to us by this department, that I feel it is entirely improper that the residents of rural Canada should be required to subsidize what I might call luxury services for the residents of the urban areas when, at the same time, the people in the rural areas are getting a service which is of a lower standard than that which they are entitled to expect.

There is not a member here from a rural area—and I am quite sure there is not a member here from an urban centre who has visited or lived for any length of time in a rural area—who will not agree with me that, by and large, the mail services now accorded to the rural areas of Canada are far below standard and are far below what should be accorded to them in this present century. Yet a person living in a rural district in my riding or in any other such riding in Canada is now going to have the cost of his letters increased by one cent per letter, largely in order to support the provision of a super-service to the people living in urban centres. As between urban centres of Canada, there are now in existence the facilities for providing an adequate air mail service. There is also, incidentally, in existence the means of providing a fairly, if not completely, adequate surface mail transportation system. Yet the people who live in those large urban centres are now going to be able to avail themselves of air mail service at no extra cost. All they are going to have to put on their letters is a five-cent stamp and then they can have them carried from Montreal to Vancouver in a day whereas the same five-cent stamp will not enable a letter to be delivered from one end of my riding to the other in less than four days. But people living in Vancouver or Montreal, or other large cities, who want the super-service, and who under the old method have been able to get it for an additional two cents—or rather, I should say, an additional three cents over the old rate of four cents per letter—all they have had to put on was an additional three cents to buy themselves an air mail stamp in order to make sure their letters were carried from Vancouver to Montreal, or the reverse, by air and were delivered within twenty-four hours. If

there is that much importance attached to the air mail service in Canada, I would think that those people would be quite willing to continue to pay the extra three cents so that the people of my riding would not be subjected to the necessity of paying an extra cent on every one of their letters in order to get them delivered—and not by air mail—within a space of three days from one end of the riding to the other.

This air mail delivery does not benefit the rural areas. Their letters still have to go down—and I am thinking of British Columbia particularly—to Vancouver before they ever get on the air mail service. It takes a letter perhaps two days to get to Vancouver. Then it may have to go only as far as Seattle, Calgary or any other place with which the people of my riding have business. The fact that from Vancouver on it goes by air mail is really not of benefit to the people of my riding or to any of the similar areas of British Columbia. Mr. Speaker, I am just not able to appreciate that there is any equity or justice in demanding that all my people should be required to pay five cents per letter, an additional one cent which does not improve their service one iota, when the air mail service which might be required by large businesses in large centres is available to them if they want to pay an extra three cents per letter. Why should not the people who want luxuries have to pay for them?

What was that comment, Mr. Speaker? What did the hon. member say?

Mr. Byrne: You should have a special stamp.

Mr. Fulton: If Kamloops riding were able to get the Post Office Department to change its mind on this proposition, it would deserve a special stamp. I am surprised that the hon. member who comes from a rural area in British Columbia should make a remark like that. If he would get to his feet and make a similar speech and similar suggestions, then he should have a special stamp for his riding.

Mr. Knowles: Then he would be stamped.

Mr. Speaker: Order.

Mr. Fulton: But what do we find in connection with the cost of this proposition? It is not easy to get accurate information but, as far as I can determine, the present cost to the Post Office Department of providing this all-up air mail service on the present four-cent basis—that is to say, allowing every letter to go air mail with a four-cent stamp as is done at present—approximates $6 million per year. Those figures I take from an answer given me by the Postmaster General as reported at page 1047 of *Hansard* of April 2, 1952, when I asked the question:

> What has been the additional yearly cost to the Post Office Department of carrying mails in Canada since the inauguration of the "all-up" air mail letter service, directly or indirectly attributable to the institution of that service?

The answer of the Postmaster General (Mr. Cote) as given on April 2, 1952, and as found at page 1047 of *Hansard*, reads in part as follows:

> When the "all-up" service was introduced in July, 1948, the Post Office Department agreed to pay the Trans-Canada Air Lines the amount estimated for surcharged air mail in the domestic services for the fiscal year 1948-49, plus $2 million.

There was an additional $2 million at that time. The answer continues:

> For this extra payment the T.C.A. made available to the Post Office Department space to accommodate additional mail up to two and a half times the volume of surcharged mail estimated for the same fiscal year—1948-49. In 1951 the amount paid to the T.C.A. was increased on a sliding scale up to $6 million per annum and for this increase additional space was made available.

Therefore, in the absence of some further explanation, the only interpretation I can put upon that answer is that for the provision of all-up air mail service as of the date of the reply, April 2, 1952, the Post Office Department had to agree to pay T.C.A. an increase on a sliding scale up to $6 million. It might be possible that the increase was only $4 million, the difference between $6 million and the $2 million that had been previously agreed to, but as I read the answer the extra cost of providing all-up air mail service was increased to $6 million in 1952. The people of Canada are paying an extra $6 million for this all-up air mail service and it does not give one bit of benefit to the rural areas.

I do not see why anyone to whom it is important that his letter should be carried by air mail should not pay for that privilege. If that were done, then on the basis of that answer it seems to me that there would be a reduction in the anticipated deficit up to $6 million a year, or $4 million on the other basis. But taking it at the lower figure, that $4 million plus the additional $4 million of revenue from the elimination of the franking privilege to government departments would mean a reduction of the hypothetical deficit by $8 million. That would leave about $5½ million of a possible deficit on the basis of the Postmaster General's own figures.

But I do not see why people who do not want to use air mail service, for whom air mail service is not a necessity, and to whom it does not do any good, should be penalized in

order that a luxury service can be provided to people who are already adequately served and to whom, if they want to use air mail, the financial resources to use it are readily available in any event.

Let us take the third heading under which the Postmaster General said this hypothetical deficit might arise, namely, that the cancellation of the excise stamps on cheques and notes will reduce the revenues of the Post Office Department by $7,500,000 or, in other words, over half the anticipated deficit to which the Postmaster General has referred. A great deal has been said about that already and I am not going to repeat all that has been said except to emphasize that when the Minister of Finance (Mr. Abbott) announced the proposed elimination of stamps on cheques in the last budget he introduced before the election, he did not indicate that it would be necessary to make up the revenue loss by another tax. No sir! He was prepared, and I do not blame him, to take any advantage that he could from this proposed reduction in taxes. The government badly needed to take any credit they could around that time, and so he took the credit.

But, sir, it is impossible for any of us to believe that the Minister of Finance did not know what the loss of revenue was going to be. He is here tonight, and if he is prepared to say he did not know what the loss of revenue was going to be then we would all be glad to hear from him. I do not hear from him and therefore I assume he did know what the loss of revenue was going to be. It would be interesting to know why he did not say before the election that it would be necessary to make up for this loss of revenue after the election by the imposition of an additional tax on the users of the letter service of Canada. I still do not hear from the minister so I assume that the only explanation that occurs to us is the correct one, namely that he did not want to tell the people of Canada before the election that this tax concession was a mere phantasy, that it was introduced for election purposes only, and that the government knew at that time that they were going to demand from the people of Canada after the election that they make good that loss of revenue which was held out to them as an additional bait in the pre-election budget which the minister himself introduced.

Mr. Argue: Cynical budgeting.

Mr. Fulton: Well, sir, we have had some experience before with cynical budgeting. I thank my hon. friend for that term. It seems to be a much better one than cyclical budgeting, the term which the Minister of Finance likes to attach to it.

Mr. Speaker: Order. I think that perhaps we had better consider the principle of the bill. While I am on my feet, I should like to point out to the hon. member for Kamloops that under our rules repetition is not in order. That includes not only repetition of one's own arguments but also repetition of other members' arguments. I have heard it said since this debate was initiated that the postal increases sought by the bill are perhaps a consequence of measures announced by the Minister of Finance in a previous parliament. Therefore I hope that every hon. member who speaks on the bill will not repeat the same argument. I should like to warn the hon. member about this standing order.

Mr. Fulton: I thank you, Mr. Speaker, for your warning. I might draw to your attention, sir, and the attention of other hon. members, that, while it may be true that the point I am now putting forward is to some extent a repetition of points put forward by previous speakers, we have not on previous occasions always had the advantage of the presence in the house of the Minister of Finance.

Mr. Abbott: It is very seldom he is not here.

Mr. Fulton: Let me make it clear. I want to be fair to the Minister of Finance. He has been away on an important conference and that is the reason why he has not been here at earlier stages of this debate. But he is here now, sir, and I have invited him to make certain comments.

Mr. Sinclair: How nice of you.

Mr. Fulton: The terms of my invitation were more courteous than any invitation that would have been extended by the Minister of Fisheries (Mr. Sinclair), but we will let that pass. The Minister of Finance is here for the first time, I believe, in this debate, and I have invited him to make certain comments. I suggest that if he does not offer an explanation, then the obvious explanation which we ourselves advance must be accepted as the true one.

Some hon. Members: Oh, oh.

Mr. Abbott: That is unworthy of a Rhodes scholar.

Mr. Sinclair: I object.

Mr. Howe (Port Arthur): You really do not have to speak for 40 minutes, you know.

Mr. Sinclair: There are Rhodes scholars and Rhodes scholars.

Mr. Fulton: I shall be very glad to give up my place right now to the Minister of Finance if he indicates any willingness or

desire to offer an explanation of why the government took off a tax before the election and put it back on afterwards. Does the minister want to explain that?

Mr. Diefenbaker: You cannot explain the obvious.

Mr. Fulton: Does the Minister of Trade and Commerce and Acting Prime Minister want to explain it?

Mr. Howe (Port Arthur): We would like you to get on with your speech.

Mr. Fulton: Does the Postmaster General want to explain it?

Mr. Speaker: Order. I think we ought to carry on with the debate in the manner—

Mr. Cote: When I close the debate I will be glad to answer my hon. friend, and I think it will be satisfactory to him.

Mr. Speaker: Order. I think we ought to continue with this debate in the usual manner of debate, and not in the form of a private conversation. If the private conversation which was taking place a moment ago at the other end of the house was intended for me, I am sorry but I could not follow it.

Mr. Fulton: Well, sir, I thought I was doing fairly well until you drew my attention to a rule which had not been previously applied in this debate. In the absence of any satisfactory reply from the government, I shall let the matter stand because I feel that the answer is obvious. I shall not pursue that point any further.

I want to deal with one additional point before I sit down, and that concerns the report of J. D. Woods and Gordon on the Post Office Department. I was interested particularly in the section of the report which appears at page 70 of the copy tabled as sessional paper No. 94-A. It reads as follows:

> The postage supply section of the postage stamp division is responsible primarily for the receipt, storage and dispatch of postage and unemployment insurance stamps to postal depots and government agencies. The physical facilities presently available for this purpose are inadequate both from the viewpoint of security and material handling. Many improvements in procedure could also be made.
>
> We have reviewed a report of the civil service commission. A comprehensive analysis was made in 1950 of the method of keeping records and issuing stock. It is suggested that this report be reviewed and the suggestions put into practice.

One of the reasons the Postmaster General says he needs an increase in postage rate is that his department is going to run into a deficit if he does not get it. Yet we find, as established by the Woods and Gordon report, that in 1950 the civil service commission made a report which recommended certain changes in the procedures and methods. Then, the Woods and Gordon report suggested that the civil service commission report be reviewed, and the suggestions put into practice. The Woods and Gordon report is dated November, 1952. This means that two years before Woods and Gordon reported, the civil service commission had made a report recommending certain changes, which report was not implemented. When Woods and Gordon came along two years later and found the same unsatisfactory conditions, they suggested the Postmaster General might just look at the civil service commission report and implement it.

In this house we are accustomed to finding examples of the government having had reports available which suggested streamlining of methods and procedures to increase efficiency and save money for the taxpayers of Canada, yet these reports have been gathering dust in departmental files. It seems obvious that is the situation here. How the Postmaster General has the temerity to come along and tell us that we must now increase the letter rate in Canada by one cent when this report makes it obvious that, had his department had the interests of the taxpayer at heart sufficiently to read and implement the report made two years earlier, they might have saved substantial sums of money, I am at a loss to comprehend. How can they expect this house or the taxpayers to swallow such a suggestion?

The reason I feel somewhat strongly on that matter is that almost two years ago we had a similar example. At that time there was another important report being considered by the house, a report made by Mr. George S. Currie. He made certain recommendations which, if implemented, would save the taxpayers of Canada a considerable sum of money. After that report had been under discussion for some time, we found that two years before Mr. Currie's investigation the civil service commission had made a survey of the same field, and had found a situation which they said was resulting in substantial losses to the taxpayers of Canada. The civil service commission report had been gathering dust in the archives of the government for two years because while the taxpayers' money was being wasted during that period of time the government had not bothered to implement the civil service commission report. When, sir, we asked for the production of that report in the house—

Mr. Speaker: Order. I think the hon. member is now flirting with a violation of the rule of relevancy. I believe he will agree with me that, having quoted from a report relating to the Post Office Department, and

having complained of the fact that that report would have saved money for the taxpayers if acted upon and perhaps rendered unnecessary the measure which is now before the house, I let him present another argument by analogy. If the hon. member continues along that line, I feel he is going too far.

Mr. Fulton: We are confronted here with a situation where the government is asking us to authorize an increase of one cent per letter to all users of the mails in Canada. I am suggesting that if the government would merely implement the reports they have had available to them for two years, substantial sums of money would be saved which would obviate the necessity they think now confronts them.

Mr. Speaker: The hon. member could argue, if he followed that line of argument to the extreme, that the entire fiscal policy of the government should be changed.

Mr. Fulton: So it should.

Mr. Speaker: We would have, therefore, another budget debate in this house. I do not believe the rules of relevancy give the hon. member the opportunity of going so far afield.

Mr. Fulton: You will recall, sir, that the Postmaster General covered a fairly wide field this afternoon in the statement he made to the house. It does seem to me that in dealing with this report of J. D. Woods and Gordon, which refers specifically to an earlier report made by the civil service commission, we are entitled to know what was in that civil service commission report. We are entitled to know—

Mr. Speaker: Order. Let us be reasonable on this point. When I stopped the hon. member he was dealing with the Currie report. Now, if he wants to go back to the Woods report, let us remain with the Woods report.

Mr. Harkness: Let us get amongst the tall timber.

Mr. Fulton: You have anticipated me because I want to show a similarity which exists between this situation and the attempts we made to deal with an earlier report. I am coming back directly to the civil service commission report referred to here. Your Honour will recall that in the earlier case—

Mr. Pickersgill: I rise on a point of order, Mr. Speaker. Is it not true that some days ago a motion was made to have this report tabled, and that it was turned down by the house? Is it possible for the hon. member to renew debate on a subject upon which a decision has already been made?

Mr. Fulton: I expected that eventually we would get the Secretary of State (Mr. Pickersgill) to his feet to raise the very point he has raised. I would submit to you, sir, that at this point I am not seeking to change a decision of the house. I am pointing out, as I am entitled to point out in connection with the present discussion, that the government refused my request for the production of a report made by the civil service commission on January 20, 1954. The government, whose spokesman on this occasion was the Secretary of State, has just raised a point of order. It is true that matter was thus decided, but what I am trying to point out is the position we are placed in as a result of that refusal of information by the government, led by the Secretary of State. He is a very apt pupil in following the precedents which have been set by this government in connection with the refusal of information.

Mr. Speaker: Order. On the point raised by the Secretary of State, so far as I can ascertain, after consulting with the deputy clerk, the report referred to was voluntarily tabled, was it not, by the Postmaster General?

Mr. Cote: We are talking about another report, the civil service commission report, which was asked to be tabled by my hon. friend, and which we voted on in this house, turning down the request.

Mr. Harkness: Cloaked in secrecy.

Mr. Speaker: I was not aware there was a second report. I thought the hon. member was discussing the Woods and Gordon report. If he is dealing with a report that is not before the house I do not think he should refer to it.

Mr. Fulton: Mr. Speaker, I was leading up to the particular point raised by the Secretary of State. The production of the report made by the civil service commission on the Post Office Department has been refused. This was a report made two years before the Woods and Gordon report was made, and to which the Woods and Gordon report referred, suggesting that it be implemented even at this late date. What I am pointing out is that a report exists, and had it been implemented then, the people of Canada might have been saved a considerable amount of money from the point of view of expenditures by the Post Office Department, and possibly the necessity for this increase might to that extent be lessened.

I am quite prepared to admit that the production of that report was refused earlier this session by the government majority, on the suggestion of the Secretary of State. I am sufficiently aware of the rules of the house to know that I cannot at this stage seek to have that decision reversed. But I am pointing out that this is just one of a great many examples with which we have been confronted, where information as to the possibility of saving the money of the taxpayers of Canada has been refused and is still being refused by this government.

I want to ask the Postmaster General this question. Will he extend to me the same courtesy that was extended to the hon. member for Notre Dame de Grace (Mr. Hamilton)? If there is nothing to hide in this report, if it is a matter of not establishing a precedent by tabling it in this house, if that is what is bothering the government, will the minister extend to me the same courtesy of going to his office—

Mr. Speaker: Order. We are now discussing the second reading of a bill. The house is in good humour. I should like to remain in very good humour; I much prefer to be in good humour, but there seems to be a tendency to—

Mr. Harkness: Levity.

Mr. Speaker: —drift away from the principle of the bill which should be discussed, and to indulge in a discussion of various other matters which, no matter how germane the hon. member may think they are, in my opinion are completely out of order.

The hon. member knows that he is not in committee. A moment ago he was asking a question of the Minister of Finance. He is now asking questions of the Postmaster General. When we get into committee on this bill he may proceed to ask questions, and it will be in order for the Postmaster General to reply. If the hon. member wishes the Postmaster General to speak now he will, as he knows, close the debate. I am sure he does not want him to do that. No, he would not close the debate because there is an amendment. My mind was carrying me a step farther. I thought that the amendment had been disposed of, but that is not so.

The hon. member is quite right; there is an amendment before the house. Let us have a normal discussion on the second reading of this bill. The hon. member has had wide latitude. I know he will want to continue this debate with strict adherence to the rules of the house.

Mr. Howe (Port Arthur): His time is exhausted.

Mr. Gauthier (Portneuf): He has been speaking for 45 minutes.

Mr. Argue: Less 40 minutes for interruptions.

Mr. Fulton: Mr. Speaker, I quite agree with you that the Postmaster General could not answer now without making a speech, although, with the amendment before the house, he could speak again without closing the debate. Therefore in the same way that I have asked other ministers opposite, and indeed private members opposite, if they wish to rise to their feet to interrupt—they are prepared to interrupt while sitting—if they want to interrupt—

Mr. Speaker: Order. I have to advise the hon. member that having spoken for 11 minutes before six p.m., and having commenced to speak again at 8.02 p.m., his 40 minutes expired at 8.31 p.m. I allowed him a few more minutes because of interruptions but I now have to ask him to resume his seat.

Perhaps I should deal with the amendment moved by the hon. member for Winnipeg North (Mr. Stewart). The amendment reads:

> That Bill No. 168 be not now read a second time, but that it be resolved that in the opinion of this house a parliamentary committee should be established for the purpose of making an inquiry into the organization and operation of the Post Office Department and the postal services of this country.

What the hon. member sought to do by this amendment was to seek some information by way of a committee. Citation 657 of Beauchesne's Parliamentary Rules and Forms, third edition, reads:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

If the hon. member looks at the reference underneath this citation he will see that it refers to May, page 390. During the dinner recess I looked at the reference of May at page 390 and I found the following:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move, as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill; . . .

It carries on repeating the same words as I have just quoted from citation 657. But then a little further on it goes on to say:

The principle of relevancy in an amendment governs every such proposed resolution, which must, therefore,—

I should like to draw the attention of the hon. member to these words:

. . . which must, therefore, strictly relate to the bill which the house, by its order, has resolved upon considering—

I draw the attention of the hon. member to these words "strictly relate to the bill". Does he think for one moment that his amendment does just that, strictly relate to the bill which is under consideration? What the hon. member is seeking to do by his amendment is to have a committee inquire into the operations of the Post Office Department and of the postal services of this country. He is seeking to have a wide investigation held. What he is now asking is much wider than the scope of the bill.

I should like to draw his attention to the words which follow the words I have just quoted from page 391 of May. After having stated that the amendment must strictly relate to the bill which the house, by its order, has resolved upon considering, it goes on to say:

—and must not include in its scope other bills then standing for consideration by the house.

I direct the attention of the hon. member to the fact that there is now an item on the order paper calling for the second reading of Bill No. 76, to amend the Post Office Act, standing in the name of the hon. member for Quebec West (Mr. Dufresne). Would not the amendment moved by the hon. member cover the subject matter included in a bill which, as May says, is standing for consideration by the house?

In my view the amendment as it now stands is one which cannot be allowed. What the hon. member seeks to do, in the words to be found in Beauchesne's third edition and repeated in May, is "seeking further information by committee". That is perfectly permissible. If the hon. member wishes to reword his amendment in order to comply with the rules I shall be glad to hear him in that regard, but I think he will agree with me that the amendment he has proposed is too wide. I would not want to rule it out of order on a mere technicality and deny him the right of moving an amendment such as he might have in mind, which is merely to seek information by committee. I think his amendment should read, "that the subject matter thereof be referred to a select committee."

[Mr. Speaker.]

Mr. Stewart (Winnipeg North): Mr. Speaker, with deference and with some regret I have to differ with you. I cannot imagine anything more strictly related to the bill than the amendment which I have offered. We have a department asking for a 25 per cent increase for a certain part of its services and that to us seems to be such an extreme increase that it demands investigation into what is going on in that department. This is a point which we could argue interminably and I do not intend to do that. However, without conceding in any way whatever the rightness of my position, I think I can say that my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), would be prepared to move an amendment to the amendment I have moved which I believe would fit in with your wishes.

Mr. Speaker: Would it be agreeable to the hon. member if on the grounds I have indicated I rule his amendment out of order, and then the hon. member for Winnipeg North Centre could immediately propose a new amendment which at this time would be in order? If that is agreeable I think it would be the best procedure, because if the hon. member for Winnipeg North Centre proposes to amend an amendment which in my view is not in order I do not think the amendment to the amendment would stand.

Mr. Stanley Knowles (Winnipeg North Centre): Naturally we do not want to do this in a clumsy way if it can be done in a simple way. I think perhaps my colleague, the hon. member for Winnipeg North (Mr. Stewart), might be permitted to change the wording of his original motion. If so, the suggestion I would make, subject to my colleague approving of it, would be that all the words after "organization" to the end of the proposed amendment be deleted and that in their place be inserted the words "reasons for the introduction of this bill." My colleague's amendment would then read:

That Bill No. 168 be not now read a second time, but that it be resolved that in the opinion of this house a parliamentary committee should be established for the purpose of making inquiry into the reasons for the introduction of this bill.

Mr. Fulton: It is still introducing new matter.

Mr. Speaker: That wording seems to be more in accordance with the rule. The only reservation I have in my own mind is that the amendment is that a committee be established to inquire into reasons. As I understand the definition of committee, it is a body to inquire into subject matters and to hear evidence. I do not know that we establish committees to inquire into reasons.

Mr. Knowles: Then may I suggest to you and to my colleague these words:

—for the purpose of making inquiry into the circumstances connected with the introduction of this bill.

Have we got it now?

Mr. Speaker: Is it agreed? Does the house give consent?

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, with all respect to what my hon. friend is trying to do, I suggest that he knows perfectly well how he could make his amendment in order, and he has not approached it yet except by an indirect method. The reasons or the circumstances under which the government accepts responsibility for introducing a measure is something which they are prepared to defend here and are doing at the moment. But the subject matter is something about which an hon. member or the house can make any inquiry by the machinery that may be available to the house. I am afraid that I could not consent to the form of the amendment to the amendment.

Mr. Knowles: If there is not consent to that, I would suggest that we fall back on the suggestion Your Honour made a moment ago, that my colleague be permitted to withdraw his amendment. I would then be prepared to move an amendment in the language which Your Honour suggested, namely, that the subject matter of this bill be referred to a committee for inquiry.

Mr. Speaker: Has the hon. member leave to withdraw his amendment?

An hon. Member: Agreed.

Mr. Speaker: Agreed.

Amendment withdrawn.

Mr. Stanley Knowles (Winnipeg North Centre): If I may have the floor without making a speech I would then move, seconded by the hon. member for Saskatoon (Mr. Knight):

That Bill No. 168 be not now read a second time, but that the subject matter thereof be referred to a committee for inquiry.

Mr. Harris: On the point of order—I am trying to be helpful this time—I am sure my hon. friend means parliamentary committee, which was part of the original wording.

Mr. Knowles: Yes. If I omitted that word it was through oversight and I am most grateful to the minister for suggesting it. Since we are thinking out loud about this, perhaps we could add the words "and report" at the end of it. The amendment I am now moving would then read:

That Bill No. 168 be not now read a second time, but that the subject matter thereof be referred to a parliamentary committee for inquiry and report.

Mr. Casselman: Report to whom?

An hon. Member: To the house.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. Fulton: Mr. Speaker, speaking to the new amendment—

Mr. Speaker: The hon. member, of course, is now taking advantage of a situation which, as he knows, is one that was created by unanimous consent. At the moment we are merely substituting an amendment which otherwise I would have ruled out of order. I would imagine that the hon. member, having spoken to the amendment as it originally stood, and the resolution having been amended in the manner that it was with the unanimous consent of the house, would not in these circumstances take advantage of the situation and make another speech.

Mr. Fulton: Mr. Speaker, I will accept your suggestion, but I will make this brief comment. Were it not for the fact that I felt the extensive interruptions made during the earlier portion of my speech had occupied so much of my available time that I had not in fact spoken for more than 40 minutes, I would not have attempted to speak again at this stage, although, this being a new amendment, I would have the right to do so. However, it will be open to me to speak on the main motion and I intend to take only two or three minutes in which to ask the Postmaster General (Mr. Cote) to specifically reply to the suggestions I have made. Under these circumstances, I will wait until this amendment has been disposed of and then repeat my invitation to the Postmaster General.

The house divided on the amendment (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss	Cameron (Nanaimo)
Argue	Campbell
Balcer	Cardiff
Barnett	Casselman
Bell	Castleden
Bennett, Miss (Halton)	Charlton
Blackmore	Churchill
Blair	Coldwell
Brooks	Diefenbaker
Bryson	Drew

Dufresne
Ellis
Fairclough, Mrs.
Fraser (Peterborough)
Fulton
Gillis
Green
Hahn
Hamilton
Hansell
Harkness
Hees
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nickle
Noseworthy
Nowlan
Patterson
Pearkes
Poulin
Quelch
Regier
Robinson (Bruce)
Shaw
Small
Stanton
Starr
Stewart (Winnipeg North)
Thatcher
Trainor
Tustin
White (Hastings-Frontenac)
Winch
Zaplitny—73.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Benidickson
Bennett (Grey North)
Blanchette
Boivin
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Bourget
Bourque
Brisson
Brown (Brantford)
Buchanan
Byrne
Campney
Cardin
Caron
Carter
Chevrier
Conacher
Cote
Crestohl
Dechene
Denis
Deschatelets
Deslieres
Dumas
Enfield
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Hellyer
Henderson
Henry
Hollingworth
Houck
Howe (Port Arthur)
Huffman
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Leduc
Lefrancois
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
McCann
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Masse
Mitchell (Sudbury)
Monette
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Prudham
Purdy
Ratelle
Richard (Ottawa East)
Roberge
Robertson
Robichaud
Ross
Roy
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith
Stick
Thibault
Tucker
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
Winters
Wood—110.

Mr. Speaker: I declare the amendment to the main motion lost. Is the house ready for the question?

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I rise only for the purpose of repeating my request to the Postmaster General (Mr. Cote) that, when he replies, he indicate whether or not he is prepared to allow me to have access to and to study the report made by the civil service commission and referred to at page 70 of the Woods-Gordon report.

With reference to the fact that you indicated a little earlier that my time had expired, Mr. Speaker, I wish to say that I felt that the interruptions had more than consumed the time which I would otherwise have had available on the earlier occasion. In making this request now to the Postmaster General, I put it on this basis. If the government have nothing to hide, and if they feel that they have taken action to deal adequately with that report and the recommendations made by the civil service commission, they should have no objection whatsoever to a member of parliament seeing this report so that that member—as well as other members—may be able to decide, in accordance with his responsibility, whether or not there is justification for this motion asking that the people of Canada should pay more for the carriage of their letter mail. If the Postmaster General refuses that request for access to the report, then I suggest to you, Mr. Speaker—and I think hon. members will agree—that there is no other inference that can be drawn except that the government know that they have not taken adequate action to deal with that report, that it is for that reason that they now refuse access, and that it was for that reason that the Secretary of State (Mr. Pickersgill) asked government supporters in this house to refuse production of that report when the notice of motion for the production of papers was before the house and was defeated by the vote of the government majority.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I am rising to support the motion for the second reading of this bill. I have no intention of attempting to defend the Post Office Department because I know that my hon. friend, the Postmaster General,

is perfectly capable of looking after it. I may say that I would be very happy to defend the Post Office Department because, when my hon. friend was absent in New York on the country's business, I was charged by the Prime Minister (Mr. St. Laurent) with looking after the Postmaster General's portfolio and I had a little bit of experience with the Post Office Department.

Some hon. Members: Oh, oh.

Mr. Knowles: That is when all this trouble started.

Mr. Pickersgill: The impression I formed of the Post Office Department and of the things for which I was called upon to take temporary ministerial responsibility was the impression that I think most Canadians have outside this house, whatever party they belong to, namely, that the Post Office Department and the Canadian postal service are as good as any in the world and, in most respects, better.

I do not think that anyone on this side of the house relishes the idea of asking everyone who sends a letter to put a five-cent stamp on it instead of a four-cent stamp.

Mrs. Fairclough: Why do it, then?

Mr. Pickersgill: Some hon. member opposite—I think it was the hon. member for York South (Mr. Noseworthy)—said this was a policy that was decided by some official in the Post Office Department. That is not true at all. The Minister of Finance (Mr. Abbott) announced this policy for the government as the policy of the government—

An hon. Member: After the election.

Mr. Pickersgill: —that the actual current operations of the postal service, the running of the Post Office Department, not the providing of premises which the Minister of Public Works (Mr. Winters) does and for which he does not charge, should be paid for by the people who use the service and not by other taxpayers. The hon. member for York South said that was a question of policy. It is a question of policy and one that can only be decided by the house. It cannot be decided in any committee or in any other way. It is the policy of this party that the post office as far as possible should exact a charge to pay for the service it renders. I believe that is a good policy. I believe that policy commends itself to most Canadians, and it is because I am convinced the extra one cent is necessary for the purpose of balancing the budget of the post office that I feel we have no choice, even though it is not very agreeable, but to support it.

The hon. member for Kamloops (Mr. Fulton) suggested there were two or three alternative ways in which we might meet the deficit. No doubt my hon. friend the Postmaster General will deal with most of those alternatives.

Mr. Hees: If given a chance.

Mr. Pickersgill: But there is one point.

Mr. McIlraith: Do you mean only the opposition should speak?

Mr. Pickersgill: Even if a good many savings have already been made as a result of the Woods and Gordon report, even if there were a good many more savings here and there in the Post Office Department that could be made, and I dare say there are some—the hon. member for York South said that the Post Office Department was not perfect; of course it is not, and no sensible person says it is—even if a few thousand dollars might be saved here and there, and one evidence I got from my short experience was that savings were being made all the time, surely no hon. member opposite is so poor at arithmetic as to suggest that such savings have any relation whatsoever to the $13,500,000 which is going to be required to bring about an approximate balance next year.

But the real reason why I venture to take part in this debate is not because I was Acting Postmaster General but because of what was said by the hon. member for Kamloops, by the Leader of the Opposition (Mr. Drew), by the hon. member for York-Humber (Miss Aitken) and by one or two other members opposite about the air mail service. They suggested that in some curious way the air mail service was a luxury and that a luxury tax could be paid by those people who use it. It would probably be quite difficult to do a careful costing and probably would not be worth the money, but if it were done I would not be the slightest bit surprised to learn that it would cost more to collect a letter on one of those new streets in York-Humber, take it to the Toronto post office, carry it by rail to Ottawa and deliver it to one of those new streets out beyond Westboro in the constituency represented by the Leader of the Opposition than the actual out-of-pocket cost of sending a letter by air from the province and the constituency I represent to some post office in the province of Ontario where there is no letter carrier service and where people have to go and get their mail.

There are a great many people who, for economic and other reasons, find it necessary, as the hon. member for York South did, to

leave the province of Newfoundland to earn their living in some other part of Canada. I am sure that the hon. member for York South would agree with me that the people of Newfoundland are very much attached to their families. They like to keep in touch with them and they, like the rest of us, want to get their mail as quickly as possible and do not regard air mail service as a luxury at all. In most parts of that province there is no letter carrier service and no pick-up service. There are just post offices where you go to get your mail. But most of them are not very far from an airport, and from that airport mail can come in one day to Montreal, Toronto or Winnipeg and perhaps in two days to Vancouver. There are a good many people from Newfoundland even in Vancouver.

It seems to me, sir, that this service is not a luxury service. It does not really cost very much more than it does to provide the kind of services that the hon. member for Notre Dame de Grace (Mr. Hamilton) thinks are still not good enough for his riding. I believe that in the first place people who live in these outlying parts, and who want to communicate with relatives and friends and carry on business communications as well with central Canada, are entitled under modern conditions and in the modern world to this kind of service, the kind of service which is given by the post office and by T.C.A. In addition, it seems to me that the postal air service we already have has added a great deal to the amenities of this country and has added a great deal also to the sense of national unity. If, by paying about one-third or one-quarter of the one cent that is to be added by this bill, we can have the kind of service that tends to bring all Canadians closer together, then it seems to me it is not a very high price to pay, and I feel that most of the people in most parts of the country will agree with the government in that view.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I think we all felt, when the Secretary of State (Mr. Pickersgill) descended from the heights in which he had previously lived and came down to live among us, that new and perhaps exciting things were going to happen. I think to some extent we have been borne out in our judgment in the things that have happened already, but I submit that tonight we have gone quite beyond anything that we have had before. I suggest in particular to the hon. member for York South (Mr. Noseworthy) that he has been proved wholly wrong in the argument he made this afternoon in which he said it was a pity that postmasters general stayed such a short time on the job, perhaps only a matter of a year or two.

But now he has been proved wrong because we have just been told by one who was only Acting Postmaster General for a few weeks that in that time he was able to know so much of the workings of the department that he is now able to tell us that it is as good as any system in the world and, in most respects, better. I do feel that after that it is almost a waste of time to continue this debate, and I think we should thank the Secretary of State for coming to our assistance and clearing up the matter.

(Translation):

Mr. J. W. Dufresne (Quebec West): Mr. Speaker, we have now before us a bill to amend the Post Office Act. We are asked to repeal chapter 212 of the Revised Statutes of Canada, 1952, and to replace it with another providing for an increase in the postal rates of approximately 25 per cent.

Going over this bill which is introduced by a government which calls itself Liberal, I cannot but recall the pre-electoral period of August 10 last and discuss briefly the attitude taken by the Liberal party towards the Canadian people.

Mr. Gauthier (Portneuf): This is not relevant.

Mr. Dufresne: At that time, grandiloquent statements were made on—

Mr. Speaker: Order. We are not going to begin over in this house, on the second reading of this bill, the election campaign of last August. I think that the hon. member must discuss the principle of the bill.

Mr. Dufresne: Mr. Speaker, I certainly intended dealing with the principle of the bill, but before I get there it seems quite important to demonstrate to the country at large the contradictory attitude taken by the hon. members opposite when they are outside the house. I was just saying, Mr. Speaker, that at that time grandiloquent things were being said of the generosity of the Liberal government. I am getting there, Mr. Speaker; do not get discouraged, I am getting there.

Mr. Speaker: I am all but discouraged even before starting, especially when I hear the hon. member returning to the subject I have just asked him to leave. I think that he should immediately get on with the subject matter of the bill and not deal at length with conjectural matters which have nothing to do with the principle of the bill.

Mr. Dufresne: I have difficulty in understanding why in discussing a bill such as this one, we are not allowed—and if I am wrong you will put me right—to bring to the house details showing the really contradictory attitude taken by the government in their previous statements and subsequent actions. That is why I wanted to acquaint the house with certain statements made by Liberal speakers some time before the election when it was a matter of collecting votes from the people of this country.

Mr. Speaker: The hon. member asked me to call him to order if he went wrong. I am sorry I have to inform him that if he continues to discuss the point he has just told us about in dealing with the principle of the bill under discussion, he would be out of order.

Mr. Dufresne: I will therefore continue my remarks in the way you have indicated and most certainly in the way my hon. friends opposite should wish for.

I was saying a moment ago that the government are now asking us to approve a measure which will force the people of this country to pay 25 per cent more for postage.

Allow me to make a comparison between a previous tax which has been removed and the one which it now intends to levy. What is your ruling on that, Mr. Speaker?

Mr. Speaker: I have no authority to give rulings on points of order in advance. I give rulings on points of order as they come up. However, if I may be allowed to suppose that the tax which he wants to use as a basis of comparison is the one to which other hon. members have referred in the course of the debate, namely the excise tax on cheques, I must say that if he did touch upon this question he would be out of order, since no hon. member is allowed to repeat his own arguments nor the arguments advanced in the course of the same debate by his colleagues.

Mr. Dufresne: Even if he was absent while these arguments were being used? Very well, Mr. Speaker.

Mr. Speaker, the workers, the small wage earners did not have very often the opportunity to put stamps on cheques. I will not say anything more on that subject. I only want to point out that workers in general belong to large families with members scattered all over the country, and that is particularly true in my province. The workers in my county have all asked me to oppose this legislation which discriminates against them, as it adds to the already too heavy burden of taxes which they have to carry.

The government have reminded us that they have granted substantial salary inincreases to postal employees. I agree that these employees, judging by those we have in Quebec, do a wonderful job and that it was only fair to give them a salary in line with the work they have to do in the carrying out of their daily duties. I congratulate the Postmaster General (Mr. Cote)—it will not be said that I am always criticizing—

Mr. Gauthier (Portneuf): We can see you coming.

Mr. Dufresne: —for his generous gesture and I would urge him to keep on recognizing the essential services rendered by the employees of the Post Office Department.

Mr. Speaker, there are some naughty boys opposite—

Mr. Gauthier (Portneuf): Go on.

Mr. Dufresne: But, while recognizing the generosity of the hon. minister, I also recognize the additional work his employees have to perform in order to serve the people in the best possible way. There are sometimes complaints—justified complaints—about the slowness of some services, but we must admit that postmen, for instance, have to deliver their mail to 250 more families, particularly since the service was reduced to one delivery per day. They are accomplishing a difficult and exhausting task in all kinds of weather, going up and down the numerous stairs they have to cope with on their route.

Let us pay these devoted servants of the people what they are worth because they deserve the gratefulness of the citizens they serve. I have never known of an employer having become poorer because of the good wages he paid his employees. Once more I congratulate the minister on his decision to grant more acceptable salaries to the Post Office employees.

The Post Office Department, however, must be run according to normal business principles, by establishing an efficient administration, by replacing waste by economy, and by remedying whatever abuses may exist. Extravagance, even when it involves the taxpayers' money, leads to bankruptcy.

Let us stop certain departments from mailing each year millions of pamphlets of all

kinds which are often nothing else but purely political propaganda or exaggerated praise of the government.

No doubt about it, the present government are clever; they know how to take advantage of every circumstance.

We are at the beginning of the twenty-second parliament and the government has not yet brought before the house one piece of legislation to alleviate the burden that is already weighing too heavily on the Canadian taxpayer.

I am very anxious to examine the bills that the government will submit to the house at the end of this parliament, that is on the eve of the next general election. You will note, Mr. Speaker—

Mr. Speaker: I believe that the hon. member should examine the bill now before the house. There is much leeway granted to hon. members during the debate on a bill of this kind, because of the general nature of the remarks made at the beginning of the debate, but I think that the hon. member should not go any farther afield than the previous speakers.

Mr. Dufresne: Mr. Speaker, I was just saying that the government has brought before us legislation that does not tend to help the people, those who need help. I am referring more particularly to the bill now before the house. I am sure that all measures enacted since the beginning of the present parliament are not popular. You will surely permit me to add that at the end of the present parliament more popular legislation will be enacted in order to get the people's vote.

Mr. Speaker: I regret to have to interrupt the hon. member once again, but he stated twice that he was anxious to see the legislation the government would submit at the last session of this parliament. Having said that twice, I believe he should now revert to the bill before the house.

Mr. Dufresne: Mr. Speaker, I know that my hon. friends opposite would like to see me resume my seat—

Mr. Gauthier (Portneuf): It is interesting.

Mr. Dufresne: In my opinion, the bill now before the house is another insult to the intelligence and the great understanding of the electors of the constituency I have the honour of representing. To protest against the increase in postal rates—

An hon. Member: Resign.

Mr. Dufresne: If my hon. friend wants to run as a candidate in my constituency, I am ready to do it.

Mr. Bourget: Be careful, you were elected by a minority.

Mr. Dufresne: Mr. Speaker, I know you are a good father, that you have a large family, and that some of your children are rather annoying—

Mr. Gauthier (Portneuf): Not your family.

Mr. Dufresne: I was saying, Mr. Speaker, that this piece of legislation, in my opinion, is another outrage against the intelligence and the great understanding of the electors of the constituency which I have the honour to represent, and, by way of protest, I will do what each one of them would do if he were here in this house: I will vote against this measure which I consider a further provocation to those who are proud to call themselves the people.

(Text):

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I was pleased half an hour ago to have the first really possibly valid explanation why this new tax is necessary. That possible explanation was that there has been such a thing as absentee landlordism, which we all know is never a good business proposition. We in this section of the house would not hesitate to support the government if it could establish any need for a tax. However, after listening all the days that we have spent on this I find that nothing has come forward. I have watched the newspapers from one end of Canada to the other, and I have not noticed any newspaper openly coming out and saying that the government needs to impose this new tax.

I noticed the sympathy that was expressed for the little man. I think the statement was "pity the little man." This tax is a tax on the general public of Canada. It is a tax on the little man. I believe it was the hon. member for New Westminster (Mr. Hahn) who pointed out that even though big business may initially pay most of this tax, in the long run it is added on to the cost of goods and services, and is in effect a tax on the little man.

I find it rather amusing that this government should now come to parliament at this time, taking into consideration the state of its finances, and say that it needs additional revenue. I do not think the government has proved that it needs additional revenue at all. It says that the post office must pay its way. Well, assuming, although I am unwilling to do that, that it is a valid argument that the post office must pay its way, how can you ask us to supply the post office with additional

revenue if within the post office there are major divisions that are not paying their way? I am referring once more to the subsidization of advertising. I maintain that if advertising paid its fair share of operating our post office, the government would have a much larger surplus next year than they had last year. As I indicated on January 14, if advertising were made to pay its fair share the government would be doing the country a good service in many other ways besides helping out the revenues of the post office.

I am not going to say much more. I was pleased that the first solid argument has now been presented, and I would recommend that the difficulty can be easily avoided next year if our genial Postmaster General would remain in Ottawa during the coming fiscal year and help out in that way. I am wondering whether this idea in the post office originated during the term of the absentee landlordism. I notice that the Secretary of State is a pupil of a former prime minister of Canada who, despite a large majority, rode out of power on the philosophy of "not a five-cent piece". Perhaps that philosophy has been taken up by the pupils and this government, even though it now has a large majority, may not go out on a five-cent piece, but on a five-cent postage stamp at the time of the next election.

Mr. Roland Michener (St. Paul's): Mr. Speaker, we are asked to approve an increase in postal rates on letters ranging from 25 per cent to 50 per cent, and the increase is to apply only to letters posted in Canada and delivered in Canada. I suppose the result will be that first-class letters which will require five cents in Canada will require only four cents when sent abroad, which seems to me to be an initial breach of the proposition of payment according to service. I appreciate the fact that there may be international arrangements involved. That is the first thing I should like to point out.

My purpose is to consider for a moment the effect of the increase in rates on certain users. Like others, I have had a good many communications from individuals, mostly on limited fixed incomes, to whom this increase in rates will be a cost which they will feel. It does not seem much, but to those who are confined to limited quarters and maintain their communications by letter writing, it is a consideration. I might add that in my riding are located Eaton's mail order house at Albert and Bay streets and Simpson's mail order house on Mutual street. Those companies will not be affected by the increase because they mostly use parcel post and I do not note that the parcel post rates are to be increased. The letters which they receive will be from their customers who will have paid the postage.

I would not think that other business will be greatly concerned with this increase because postage is an ordinary cost of doing business which is deductible from income before taxation. Although there is some increase in the cost, in the case of a corporation half of that would be borne by the federal treasury in loss of taxation. That would minimize the increase in these cases.

Nevertheless postage is a cost of doing business. I suggest to the minister and to the house that all costs of doing business in this country, which was described recently in very authoritative terms by Mr. James Muir of the Royal Bank of Canada as a high-cost economy, are worthy of consideration, whether they are large or small. This is particularly so when one considers our competitive position in export markets which is of vital importance to every Canadian.

If postage is an element of cost it seems to me the sound principle upon which to approach postage rates is the maintaining as far as possible of rates that are comparative with those of our nearest neighbour and competitor, the United States of America. We all know that their rates are lower and the divergence will be even greater. There has been the suggestion that Canadians living near the border will cross and use the United States mails in order to save money.

In any event that is a factor and it raises a principle which to my mind is more important than the principle advanced to support this bill, namely, the principle of maintaining competitive costs in this particular element of the cost of doing business. The house is well aware that the principle advanced by the government is that those who use the service should pay for the benefits which they receive. It has been pointed out many times that that principle is not one which is observed in many other governmental activities.

I have not heard the minister estimate what may be the loss in revenue due to the increase in the rates. Undoubtedly many people who would have written letters and used the postal services for the transaction of some of their business will not do so because of the increased cost. As everyone knows, there is a point where the law of diminishing returns begins to have an effect and offset any increase in revenue. There may be a reduction in the number of letters that would otherwise be posted, but I have not heard any mention of that.

In any event, if we accept the proposition, there has been no basis on which these principles could apply to the operations of the Post Office Department. The sole basis on which any accountant would work would be that the cost of operating the Post Office Department should be the actual costs. It is true that we are given a balance sheet but no one can see what the actual costs are because they do not appear there. Nor can anyone see what the potential revenues are.

I would suggest that this is a matter of rating. Rating is not a difficult problem when applied to this kind of utility service. We have the board of transport commissioners which fixes the rates to be paid for the carriage of passengers in different cars on the same trains in which letters are carried. If it is possible to arrive at a fair rate for the carriage of passengers, surely evidence could be produced to show the fair cost of providing a service to carry letters on trains. The same with carriage by air.

The same principle applies to telephone and telegraph rates. This form of communication is in close parallel to communication by letter, and we all know that the rates are fixed on evidence as to the cost of doing business plus a fair charge for the service rendered. If the minister is serious in wishing to apply cost accounting principles to the department over which he has the honour to preside, it appears to me that the means of doing so are available. It may be that he should now reconsider whether the Post Office Department should be disentangled from other departments of government and established as a separate agency or utility whose rates would be fixed on cost principles by a board capable of handling that kind of proposition.

This is big business. The revenues of this department last year were $129 million, at least those revenues shown in the statement, and we know that the department did not receive payment for all the services it rendered. The expenses shown, which we know were not the full expenses, amount to $122 million, leaving a surplus of something over $6 million.

This is the kind of business which could be handled very much in the way the Bell Telephone Company handles the telephone business of this country, or in the way the telegraph companies handle their business. It is not too large in proportion to those businesses. If the minister is serious about this proposition, he could find many advantages in having the Post Office Department operated by a utility agency. He would then be sure that it was being operated at cost or at a profit, and the Department of Public Works would be in receipt of revenues for the buildings occupied by the Post Office Department. The department would be compensated for the services it rendered on a businesslike basis, which is to my mind the only justification which the government has attempted to put forward in support of this measure.

I suggest it would be an interesting speculation if the minister were to call for tenders for the operation of the postal services at the existing rates and find how many people would be ready to come forward and say that with efficient operation they could handle the mails of this country without increasing the rates. That of course is speculative, but it is no more speculative than the application of the principle upon which we are asked to approve this bill.

I have made it clear that I cannot vote to approve this increase in rates. I should like to conclude by giving one trifling example, but it is an example of what some government agencies are not doing to keep the cost of the postal service as low as possible. This communication was sent through the mail and reads:

> From: National Film Board, Ottawa
> Kindly note amendments to the cast-list of the film, "Farewell Oak Street" which now make the last two characterizations read:
> Old Age Pensioners, Mr. and Mrs. Pat Kelly
> Old Man, Doug Masters
> This is to correct any erroneous impressions created by our previous listing . . .

The Acting Speaker (Mr. Applewhaite): If the hon. member is reading this document as an example of what is going through the mails and with a view to criticizing it, I do not think there could be any complaint; but if he is reading it solely on account of its contents, I fail to see that it has any relevancy to the subject under discussion.

Mr. Michener: I am reading it on both counts, and I contend that it should not be going through the mail. I had finished reading it except for the last line, which is as follows:

> This is to correct any erroneous impressions created by our previous listing of Mr. and Mrs. Pat Kelly and Doug Masters as playing "themselves" and "himself", respectively.

This is, I suppose, an important communication, but it is an example of the kind of material one hon. member today referred to as filling up the wastepaper baskets of members of this house and those of many other people throughout the country.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, I was particularly interested in the remarks of the Secretary of State (Mr. Pickersgill) because, like him, I represent a constituency which is located on an island, but an island in the Pacific rather than an

island in the Atlantic, and the people in my constituency are also anxious to keep in touch with absent friends and hence use the mails for that purpose.

We do not seem to have quite the same facilities as those provided to the Secretary of State, and that applies to all the communities in my constituency. However, I want to draw his attention and that of the Postmaster General to a thriving industrial community of several hundred people which exists within 60 miles of the provincial capital and which one can reach by means of a combination of road and rail in less than six hours from the provincial capital. The mail is carried to that community, which contains a large mill and important fishing interests, by a method which has existed for many years, namely, by sea. In the past the Canadian Pacific B.C. coast steamships services received a large subsidy to carry the mail to this community. Unfortunately the vessels used by the steamship company are not as good now as they used to be and the result is that in this community of Port Renfrew, only 60 miles from the provincial capital, they receive their mail once every ten days, despite the fact, as I said previously, that you can reach that community in six hours.

Does the Postmaster General believe these people are going to appreciate the increase in the postal rates from 4 to 5 cents? I can assure him they are not, and I would like to assure the Secretary of State that when I visited this community I never heard anyone there say that the postal services are the best in the world. Frequently I have heard them say, "It is the rottenest service that exists."

Mr. Speaker: Is the hon. member moving the adjournment of the debate?

Mr. Pearkes: Yes, I will move the adjournment.

Mr. Speaker: Mr. Pearkes moves, seconded by Mr. Blair—

Mr. Pearkes: I beg your pardon, Mr. Speaker; I had already taken my seat.

Mr. Speaker: Does the hon. member for Vancouver East (Mr. Winch) wish to speak?

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I do not quite understand. If for some reason I should move the adjournment of the debate I should be glad to do so.

An hon. Member: Go ahead.

Mr. Winch: Mr. Speaker, it was not my intention to speak again in this debate, and I would not but for the remarks made in the course of the evening by the Secretary of State. The Secretary of State this evening emphasized the principle outlined by the Postmaster General this afternoon and I feel it is essential that principles in opposition to those submitted by the two hon. members I have just mentioned should be put forward at this time.

At the opening of my remarks may I put it this way. Many years ago there was a man who was a commentator in the newsreel films and he always concluded his remarks with this statement, "Monkeys is the craziest people." I cannot help wondering, after listening to the Postmaster General outlining that principle this afternoon, aided and abetted by the Secretary of State, what that commentator would have said had he been here this evening. If there has been any discussion which means anything at all in this debate it is the statement of the Postmaster General that those who get the service must pay for it.

Mr. Speaker, may I call it ten o'clock?

On motion of Mr. Winch the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall continue this debate and when it is concluded we will take the Criminal Code.

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

APPENDIX

POST OFFICE DEPARTMENT

SUGGESTED STEPS TO IMPLEMENT REPORT ON ORGANIZATION AND ADMINISTRATION

General

The initial step in the implementation of our report on the organization and administration of the department will be to enlist the support of the senior officials in the department. It will also be necessary to obtain the approval of the civil service commission and the treasury board.

Detailed establishments of some of the new divisions will have to be developed. It is difficult in the initial stages to accurately estimate the final requirements for clerical staff and it will be necessary to review these requirements after the new organization has been in operation for a trial period.

One of the first steps should be the appointment of a personnel director. He should be supplied with a small staff possibly borrowed from some of the other branches and immediately undertake a study of the following matters:

(i) Personnel available for immediate appointment to the new positions.

(ii) Personnel who, after training, would be suitable for appointment to the new positions and the training they will require.

(iii) What positions will have to be filled from outside the department.

The various changes in organization suggested in the report are set out below by branches with comments as to the timing.

Operations Branch

(a) Chief superintendent—engineering—A man should be obtained from outside the service to fill this vacancy. It can be filled as soon as a suitable candidate is available. There is no need to delay any other moves in the interval.

(b) Mechanical engineering division—This position should be filled either from outside the service or possibly by one of the engineers from the major post offices. The balance of the staff should be recruited either outside or from within the department but at least one engineer should come from one of the major post offices. This division can be organized as soon as personnel are available.

(c) Methods and time study division—A start should be made immediately on the organization of this division. Either the man to head the division or one or two of his assistants should be drawn from outside the department. A study should be undertaken of one of the major post offices and standards developed. The staff can be enlarged over a period of time as experience is gained and after suitable training could be drawn from within the department or, if suitable personnel are not available, from outside.

(d) Chief superintendent—operations—This position should be filled by the most experienced man available within the service. He probably should be drawn from the field organization and might well be a successful district post office inspector.

(e) Postal services division—This division will be made up of personnel presently in the branch. It can be set up as soon as a suitable postal superintendent is available.

(f) Revenue post office division—The removal of functions from this division will be dependent on the completion of the organization of the postal services division and the district offices.

(g) Methods and procedures division—The organization of this division is dependent on obtaining suitable personnel to carry out the work. This should be given a high priority and they should, if possible, be drawn from the field.

(h) Inquiries division—As soon as a suitable postal superintendent can be selected, this division can be formed. A post office inspector would be most suitable for this position. The personnel in the inquiries section of the inspection division would form the staff.

(i) The staff post office division would be transferred out of this branch to the personnel branch as soon as the personnel director is ready to receive it. It would form the nucleus of the employee services division in that branch.

Transportation branch

(a) Chief superintendent — transportation planning and research—This position should be filled as soon as possible. It is important that the right man be selected as the success of the proposal will depend to a large extent on the imagination and energy of the individual chosen. The mail transportation officers presently on the staff would form the

nucleus of the chief superintendent's staff. A man with experience in commercial transport operations should be obtained from outside the service and added to the staff.

(b) Chief superintendent — transportation services—This position should be filled by a man with proven administrative ability.

(c) Motor vehicle services division—As soon as a postal superintendent has been selected from within the department, this division can be established, drawing its staff from the other divisions in the branch.

(d) Account verification division—This division can be established as soon as the postal superintendent is selected. He could be drawn from either the transportation or finance branches.

(e) The tender section can be reorganized and the new routines established as soon as the chief superintendent, transportation services, has been appointed.

Financial branch

(a) There are three senior positions to be filled in this branch and the organization changes can take place as soon as suitable men are available. In addition there is the position of comptroller in the administration branch. It will probably be necessary to go outside the department to fill two or three of these four positions.

(b) With the exception of the recommendations in connection with—

(i) Preparation and recording of salary warrants,

(ii) Punch card accounting machines,

(iii) Post office savings banks,

all the recommendations in the section of the report on the financial branch can be proceeded with without delay under the direction of the director. The recommendations in connection with the preparation and recording of salary warrants and punch card accounting machines will have to be postponed until the district offices are ready to assume the additional responsibility. The recommendations in connection with the post office savings bank are subject to policy approval from the government.

Administration branch

(a) Inspection division—The changes in organization of the inspection division and the change in the method of operation is dependent on the revision of the field organization. It is contemplated that the changes in the field organization will take place progressively one district at a time. As the change is completed in each district the inspection branch would change its function in that district. The reorganization of the division at headquarters would be dependent on these developments.

The inquiries section can be transferred to the operations branch as soon as a postal superintendent is selected to head the new division.

The recommendations in connection with the misdirected mail office can be implemented forthwith.

(b) Comptroller—As stated above, it may be necessary to go outside the department to fill this position. In the proposed plan for decentralized operations, the financial controls will be very important. It is essential that the man chosen to fill this position be imaginative and aggressive and have good accounting qualifications.

As soon as the comptroller is appointed, the budgets, estimates and costs division can be formed absorbing the personnel from the cost ascertainment division and the personnel of the staff relations division presently dealing with estimates.

A postal superintendent should be appointed to take charge of the statistical and office services division and the balance of the staff would be drawn from the other divisions as work is taken over. This can be commenced as soon as the postal superintendent is appointed. Consideration might be given to appointing the postal superintendent in charge of the cost ascertainment division to this post and filling the vacancy in the budgets, estimates and costs division with a younger man chosen from the department or outside.

(c) Domestic mails division—The suggested illegal mail section can be formed from the staff of the dead letter office in Ottawa at any time.

(d) International mails division—The reorganization of this division should take place at the same time as the accounting duties are transferred to the statistical and office services division. This will be dependent on the organization of that division.

(e) Purchasing and stationery division—Approval of the treasury board of the suggested new limits of authority for expenditures will be required. The other recommendations can be proceeded with forthwith and do not affect the organization of the rest of the department.

Personnel branch

As already indicated the appointment of a director should be given priority.

Post Office Department

The first step in organizing this branch should be the transfer of the existing divisions dealing with personnel to the personnel director.

As already mentioned the staff post office division can be transferred at any time and would form the nucleus of the employee services division.

The training and welfare division can also be transferred at any time and would form the new training division.

The staff relations division can be transferred at any time and would form a section of the employee services division. As previously stated the personnel dealing with estimates would be transferred to the budgets, estimates and costs division.

The staff to form the personnel development division should, if possible, be drawn from within the department. There are undoubtedly a number of men in the training and welfare division, and the staff post office division who would be suitable and could be replaced in their present positions.

The organization of the division along the lines suggested can be carried out progressively over a period of time. It will not be completed until such time as the district offices are sufficiently organized to assume their additional responsibilities.

Field organization

The suggested changes in the field organization cannot be carried out all at once and it will take a number of years to complete.

It is suggested that the change-over be carried out on a progressive basis as follows:

(a) Select two districts as pilot operations.

(b) Select the district directors, the principal members of the district office staffs and the area superintendents.

(c) Draw up detailed plans for the organization.

(d) Plan a training course for the personnel involved which would stress the significance of the decentralization and the part each person is to play in it.

(e) Send half of the staff for each of the new districts on the training course. As soon as they have completed the course the other half would be sent.

(f) Establish the organization in the two districts.

(g) Routines and procedures should be carefully developed in these two districts as they will become patterns for the whole department.

(h) In the first instance, the new districts would carry on the same duties as are presently performing in the field but under the new organization, as the transition progresses further, duties and responsibilities will be delegated from headquarters.

(i) The same steps would be followed progressively in each of the districts.

(j) It is recommended that the deputy postmaster general appoint one senior man whose full time would be spent in coordinating this development.

(k) The recommendations in connection with the four major post offices can be proceeded with immediately personnel are available.

HOUSE OF COMMONS

Friday, February 5, 1954

The house met at 2.30 p.m.

MAIN ESTIMATES, 1954-55

EXPLANATORY STATEMENT OF THE MINISTER OF FINANCE

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1955, was presented by Hon. Douglas Abbott (Minister of Finance) and read by Mr. Speaker to the house.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, as in past years, I do not propose to make any lengthy statement concerning the estimates. I might, however, note that the only change in the form of the new year estimates from that of previous years is in the manner in which the amounts included for salaries and wages of continuing staffs are summarized in the "details of services" section of the blue book.

Whereas the staff detail for each vote was formerly broken down to show numbers of position and paylist totals for permanent and temporary employees, a different form of summary has been substituted which discloses the same information for full-time, part-time and seasonal classes of positions. This change, of course, follows logically from the coming into force, on January 1, 1954, of the new Public Service Superannuation Act, the effect of which has been to eliminate the main distinction formerly existing between permanents and temporaries, namely, the pension benefit. The new breakdown between full-time, part-time and seasonal positions will give hon. members more information upon which they may make judgments concerning the size and character of the civil service organization.

As regards the figures themselves, the total budgetary expenditure for the new year of $4,492 million compares with a total of $4,434 million for the current year, an increase of approximately $58 million or 1·3 per cent.

This increase is the result of a number of changes, both increases and decreases. The total requested for national defence, defence production and civil defence is $1,955 million which is approximately $126 million less than the amount of $2,081 million approved for the current year.

This decrease reflects a tapering off in the capital assistance program for defence industry which reached its peak in 1952-53, and the more stable character of the defence department's equipment procurement program.

For purposes other than defence total budgetary expenditure provided for in the new estimates is $2,537 million compared to $2,353 million for the current year. This increase of $184 million is accounted for principally by $43 million additional for public debt charges, $27 million more for civil salaries, $22 million more for tax rental payments to provinces, a $22 million higher contribution to the civil service superannuation account, and $17 million more for family allowance payments. Also included in this increase are an item of $15 million for the Canadian Broadcasting Corporation and another of $7 million for the Department of Transport for which no comparable items were shown in the current year's estimates, although disbursements are being made under statutory authority.

I move:

That the message from His Excellency, together with the estimates presented this day, be referred to the committee of supply.

Motion agreed to.

STANDING ORDERS

FIRST REPORT OF STANDING COMMITTEE

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, by leave of the house I should like to revert to the order, presenting reports by standing and select committees.

Mr. Speaker: Has the hon. member leave to revert to "presenting reports by standing and select committees"?

Some hon. Members: Agreed.

Mr. Harrison: I beg leave to table the first report of the standing committee on standing orders.

Queen Elizabeth Islands

PENITENTIARIES

TABLING OF ANNUAL REPORT OF COMMISSIONER

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I now place on the table printed copies in English and in French of the annual report of the commissioner of penitentiaries for the fiscal year ended March 31, 1953, which have now been received from the queen's printer. Hon. members will recall that a photostatic copy of the material contained in the report was tabled on November 23, 1953, in order to comply with the provisions of section 14 of the Penitentiary Act.

QUEEN ELIZABETH ISLANDS

ANNOUNCEMENT OF NAMING OF NORTHERN HALF OF ARCTIC ARCHIPELAGO

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, with the permission of the house I should like to make a statement respecting our most northern islands.

I am pleased to announce that Her Majesty the Queen has been graciously pleased to allow that her name be given to the entire group of islands which lies north of Lancaster sound and Viscount Melville sound. Henceforth this northern half of the Canadian Arctic archipelago will therefore be known as the Queen Elizabeth islands.

It seems particularly fitting that our present sovereign should allow her name to be permanently associated with this part of Canada. It was during the reign of her illustrious namesake that British seamen made their first voyages of discovery into what is now the Canadian Arctic. In the 350 years which have passed since then, our Arctic has been widely explored and mapped. Now, in the reign of Her Majesty Queen Elizabeth II, we have every confidence that we are on the threshold of a new age, if not of discovery, then of development of our Arctic lands and seas.

It was important for the sake of administrative convenience that these particular islands should have some collective name. They stretch in a great triangle whose base, along the Arctic ocean's polar pack, is almost as wide as our three prairie provinces; to see even the outer edges of the group would require a flight of 2,300 miles. And yet these islands are in many ways a unit with its own peculiar conditions and problems. The lands themselves are, of course, the most northerly in North America and the most northerly of the Queen's realms. On their 160,000 square miles dwell less than 200 of her people, but beneath their surface may lie some of the richest treasures which we possess.

Hon. members will recall that the islands of our Arctic archipelago bear the names of other members of the royal family. Prince Charles island, in Foxe basin, was discovered and named about five years ago. Victoria island, Prince of Wales island and King William island are farther north, just below Viscount Melville sound. Now, northernmost of all, are the Queen Elizabeth islands, our final frontier.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, the announcement by the minister in regard to the gracious acceptance by Her Majesty of the suggestion that these islands should bear her name comes at a particularly appropriate time. There is something symbolic in the fact that these islands, extending to the polar circle in the north, should receive the name of our young Queen at a time when she is enjoying the summer sunshine of Australia, on the other side of the world. It symbolizes in a dramatic way the world-embracing character of this commonwealth partnership of which she assumed leadership last year.

The minister has spoken of the fact that this carries our imagination back 350 years to the earlier days of exploration under another Elizabeth. All the land areas may have been discovered, but the horizons are wider than ever before, and owing to the miracles of science new opportunities open out in every part of the world. It is not beyond the realm of hope that these islands, which will carry the name of our monarch, may not only symbolize the extent of our territory and of the whole north, but at the same time play an important part in the structure of Canada itself.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 178, for the relief of Dorothy Ann Stuart Story McKenna.—Mr. Hunter.

Bill No. 179, for the relief of Joyce Tulloch Foley.—Mr. Hunter.

Bill No. 180, for the relief of Ruth Annie Ricketts Perrett.—Mr. Hunter.

Bill No. 181, for the relief of Elizabeth Harriet Wyburd Ramseger.—Mr. Hunter.

Bill No. 182, for the relief of Warma Wilhelmiina Rantasalmi Wirtanen.—Mr. Hunter.

Bill No. 183, for the relief of Ruth May Rowley Grundy.—Mr. Weir.

Bill No. 184, for the relief of Rodney David Themens.—Mr. Hunter.

Bill No. 185, for the relief of Patricia Mackell Wilson.—Mr. Hunter.

Bill No. 186, for the relief of Joseph Aurele Denault.—Mr. Hunter.

Bill No. 187, for the relief of Arthur Ryan.—Mr. Hunter.

Bill No. 188, for the relief of Mary Clenman Bernard, otherwise known as May Clenman Bernard.—Mr. Hunter.

Bill No. 189, for the relief of Lloyd Demont Noseworthy.—Mr. Hunter.

Bill No. 190, for the relief of Douglas Charles Fortune—Mr. Hunter.

Bill No. 191, for the relief of Kenneth George Wright.—Mr. Hunter.

Bill No. 192, for the relief of Sonia Rofman Bailis.—Mr. Hunter.

Bill No. 193, for the relief of Bessie Livshitz Rudy.—Mr. Hunter.

Bill No. 194, for the relief of Monika Emilija Kasputyte Janauskas.—Mr. Hunter.

Bill No. 195, for the relief of Suzanne Marie-Therese Gens La France.—Mr. Hunter.

Bill No. 196, for the relief of Noella Cooker Prince—Mr. Hunter.

Bill No. 197, for the relief of Rupert Evans Joyce.—Mr. Hunter.

Bill No. 198, respecting Commerce Mutual Fire Insurance Company.—Mr. Eudes.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT BUSINESS ON WEDNESDAYS

Right Hon. C. D. Howe (Acting Prime Minister) moved:

That on Wednesday, February 17, 1954, and every Wednesday thereafter to the end of the session, government notices of motions and government orders shall have precedence over all business except the introduction of bills, questions by members and notices of motions for the production of papers.

Motion agreed to.

ANIMAL CONTAGIOUS DISEASES ACT

CHANGE IN BASIS OF COMPENSATION IN RESPECT OF SWINE AND SHEEP

Right Hon. J. G. Gardiner (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Animal Contagious Diseases Act to remove the limits on the compensation payable in respect of swine and sheep, and to provide for payment of compensation on the basis of market value.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

TRADE

EFFECT UPON CANADIAN TRADE OF REPORTED RUSSIAN TRADE WITH BRITAIN

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. In view of press reports of contracts amounting to $1,120 million which have been proposed by Russia to Britain, and having regard to the fact that this would of necessity and in large measure involve supplies which we ordinarily might expect to sell to Britain, has the minister any comment to make on that report?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, we have no authentic information beyond the newspaper reports which I read, as did my hon. friend. I looked over the list of items involved and I saw nothing which I thought would displace Canadian shipments, although shipments amounting to $1,120 million must certainly displace something. However, it is interesting to note that Russia proposes to pay in gold, which is helpful. At the moment, no action has been taken in regard to trade with Russia other than to offer normal facilities.

SUPREME COURT OF CANADA

SUGGESTED REFERENCE OF PROVINCIAL STATUTE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Minister of Justice. In view of the minister's answer to my question yesterday suggesting a submission jointly, by the governor general in council and the government of the province of Quebec, of an act of the Quebec legislature known as the freedom of worship act, to the Supreme Court of Canada, and the minister's reply that there was no authority for such joint reference, may I now ask him if the federal government will consider using the authority contained in section 55 of the Supreme Court Act for references by the governor in council as to the constitutionality of this provincial legislation?

Hon. Stuart S. Garson (Minister of Justice): I wish to thank the hon. member for having given me notice of his intention to ask this

question. According to news reports, steps which have been taken by counsel for the Jehovah's witnesses to test the constitutionality of the Quebec freedom of worship act are now being contested by counsel for the attorney general of Quebec. The whole matter is presently before the courts. Consideration is not being given at this time by the government of Canada to a reference of this legislation to the Supreme Court of Canada.

Mr. Coldwell: Does the minister realize that this legislation, while it does perhaps arise out of necessity in relation to Jehovah's witnesses, may have much wider application in the religious field?

Mr. Garson: In reply to my hon. friend's supplementary question, I may say we do realize that; but the point I think is that the constitutionality of the new Quebec act, either in relation to Jehovah's witnesses or to anyone else, is being contested in the courts at the present time.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I should like to ask the Minister of Finance whether, now that the estimates are down, it is too soon for him to be able to give some indication as to when his budget may be brought down.

Hon. Douglas Abbott (Minister of Finance): It is a little bit too soon, Mr. Speaker; but I may say that it will not be quite as early as last year.

WATER POLLUTION

NORTH SASKATCHEWAN RIVER—INQUIRY AS TO EFFECT ON FISH LIFE

On the orders of the day:

Mr. A. M. Campbell (The Battlefords): I should like to direct a question to the Minister of Fisheries. Will the minister have an inspection made of the fish life in the North Saskatchewan river to determine whether the pollution of the water in that river is killing or affecting the health of the fish in that river?

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, I thank the hon. member for having given me notice of this question. There is no question that under the British North America Act legislative jurisdiction over fisheries rests with the federal government. However, by agreement with the government of Canada in 1930 the three prairie provinces took over the responsibility of administering their own natural resources, including fisheries. Since that date provincial officers enforce federal fisheries conservation laws. The federal government does not maintain any staff in those provinces for this purpose. Therefore the inspection of the alleged pollution of the North Saskatchewan river would primarily be the responsibility of the governments of Saskatchewan and Alberta.

There is no question whatsoever about the fact that the Fisheries Act which is enforced in those provinces by the provincial authorities contains sufficient authority. Perhaps if I just read subsection 2 of section 33 of the Fisheries Act, it will be seen how wide the powers are. Subsection 2 of section 33 reads as follows:

> No person shall cause or knowingly permit to pass into, or put or knowingly permit to be put, lime, chemical substances or drugs, poisonous matter, dead or decaying fish, or remnants thereof, mill rubbish or sawdust or any other deleterious substance or thing, whether the same is of a like character to the substances named in this section or not, in any water frequented by fish, or that flows into such water, nor on ice over either such waters.

In the five provinces—British Columbia and the four Atlantic provinces—where we have direct administration of the fisheries, we have found this section to be quite sufficient to control pollution of the water and I have no doubt that if the provincial authorities get together and use this section they will find the same thing.

REQUEST FOR IMMEDIATE JOINT ACTION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, now that the fish population has been disposed of, I come back to human beings. I should like to ask the Minister of National Health and Welfare whether he received a telegram from the executive council of the Saskatchewan boards of trade in session in Regina pointing out their extreme concern over the pollution of the North Saskatchewan river and the need for immediate joint provincial and federal action to remedy a situation which is, to use the words of the telegram, "dangerous to human and animal life".

Mr. Speaker: Order. The hon. member must ask his question, not read from a telegram.

Mr. Diefenbaker: All right. What I want to find out from the minister is this. Are we going to get any action there? The situation is serious and emergent.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I think my hon. friend will want to remember the words

which he used yesterday when he was questioning me on this matter, to the effect that there was no reluctance on our part to give whatever co-operation we can under the constitution. My hon. friend acknowledged that fact yesterday. I have not received the communications to which he has directed my attention but I shall look forward to reading them as soon as they come in.

Mr. Diefenbaker: Just the same old passing the buck.

LABOUR CONDITIONS

UNEMPLOYMENT—FEDERAL RESPONSIBILITY FOR FULL EMPLOYMENT

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): May I direct a question to the Acting Prime Minister. It arises out of the developing unemployment situation. To what extent does the government accept responsibility for maintaining full employment in this country?

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, the government accepts responsibility for maintaining an economic atmosphere conducive to a high level of employment. That we are doing.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to ask a supplementary question of the Acting Prime Minister following the question asked by my friend the hon. member for Cape Breton South (Mr. Gillis). Is the government now employing those fiscal and monetary measures to which the Minister of Labour (Mr. Gregg) referred on January 26, in order to maintain a high level of employment?

Right Hon. C. D. Howe (Acting Prime Minister): The answer is yes.

DEPARTMENT OF LABOUR

REQUEST FOR INFORMATION ON SETTING UP OF WOMEN'S BUREAU

On the orders of the day:

Miss Sybil Bennett (Halton): Mr. Speaker, before asking my question I should just like to extend my very warm thanks for this demonstration which has been made on my behalf. It is delightful and most encouraging.

I should like to direct a question to the Minister of Labour. Will the minister inform the house as to what progress has been made in setting up the women's bureau in the Department of Labour, following the statement made by the minister in the house on May 14, 1953?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I consider it an honour to be the recipient of the first question asked by the hon. member for Halton. I should like to tell her that good progress in planning has been made for setting up a women's bureau in my department along the lines of the statement I made in discussing my estimates last spring.

I am sure my hon. friend will agree that the first and most important part of that planning should be the finding of a suitable person to act as head of the bureau. Consequently the civil service commission last summer set up the position, advertised widely for applicants from both within and without the civil service and, I am told, received a great many replies. But up to date a decision has not been reached as to the result of that competition.

EXTERNAL AFFAIRS

SUGGESTED OUTLET FROM BRITISH COLUMBIA THROUGH ALASKA

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to ask the Minister of Northern Affairs and National Resources a question arising out of the statement he made earlier this afternoon. Has the government under consideration any plan for attempting to arrange with the United States for an exchange of some northern territory for an outlet from British Columbia through the Alaska panhandle? I ask that question because press dispatches earlier in the week indicated that at least some of the ministers were interested in a plan of that type.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): The answer is no.

NATIONAL FILM BOARD

INQUIRY AS TO AWARDING OF CONTRACTS FOR BUILDINGS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I wish to direct a question to the Minister of Public Works today. Yesterday I directed it to the Minister of Citizenship and Immigration (Mr. Harris). Will the contract for the removal of the film board to Montreal and the erection of buildings there be let before the house has an opportunity of considering the estimates necessary with regard to the buildings and removal of staff from Ottawa?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I might say that, following the statement made by the Minister of

Citizenship and Immigration in the house last Monday, I instructed the officials of the Department of Public Works to notify the lowest tenderer that he would be awarded a contract. That action has been taken.

With respect to parliamentary consideration of this move, I know the house is aware that parliament, on several occasions, has had the opportunity to consider every step to date. The Minister of Finance (Mr. Abbott) tabled the estimates today. In them there is an item to cover the initial stages of construction of the building in question. Subject to the wishes of the house and of the house leader, I should be glad to have the estimates of the Department of Public Works considered on the earliest possible occasion.

POST OFFICE

FIVE-DAY 40-HOUR WEEK—REQUEST FOR CIVIL SERVICE COMMISSION REPORT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State in his capacity as the minister responsible in parliament for the civil service commission? Is the Secretary of State yet in a position to give the house the list, which the Minister of Finance (Mr. Abbott) promised shortly back on December 8, of localities where the five-day 40-hour week will be put into effect for post office employees, in order that we may have that information before we proceed further with the bill that is now before the house?

Hon. J. W. Pickersgill (Secretary of State): The answer is that the minister has not yet received the report from the civil service commission. He will inquire when it will be ready.

Mr. Knowles: Mr. Speaker, I rise on a question of privilege which, I submit, affects the rights of the members of this house. We will have before us as an order of business today a bill which the government says is based on the proposal that the five-day 40-hour week is being established for postal employees. Some of the employees are disturbed lest that five-day 40-hour week may not come into effect in localities like my own city of Winnipeg and some other cities. I ask the leader of the house whether it is in order and whether it is proper to ask the house to go ahead with a bill that is to be first on today's order of business until we have that information, so we will know the extent to which the five-day 40-hour week is to be implemented for post office employees.

[Mr. Winters.]

Mr. Speaker: The Postmaster General in introducing his bill and moving second reading has advocated many other reasons for the postal rate increases which are the subject matter of the bill. I do not think the hon. member, by way of a question of privilege, should insist upon having a certain report tabled on a specific point before dealing with the bill, which has already been dealt with for several hours and the consideration of which will continue today. I do not see how the hon. member is entitled to raise that matter by way of a question of privilege.

Mr. Coldwell: May I just say that one of the considerations in the bringing down of this bill was that the five-day week would involve the expenditure of more money, and I think my hon. friend is quite right in asking the minister to produce this evidence in order that we may know what the situation is. I would ask the leader of the house if he would not agree to varying the business of the day until we do get this information.

Mr. Harris: In answer to the direct question, the leader of the house is one of many in the cabinet, and we accept the responsibility for introducing the bill, defending it and giving reasons for it. That is what is being done.

Mr. Drew: Mr. Speaker, there has been some discussion regarding the procedure by which members of the house would be kept informed, and at the moment Your Honour has under consideration the practices and rules of the house. I would point out that a question has been asked of the minister responsible as to whether information is now available with regard to the five-day week. If it is not available, it means that the argument that has been presented by another minister is not substantiated at this time. I think the point is well taken—

Some hon. Members: Order.

Mr. Drew: —that unless the minister responsible for the civil service can say that it does cover every community, then the bill should not be proceeded with merely on the statement that costs are being incurred in that regard.

Mr. Abbott: I do not know whether I am in order, but I made the announcement of the introduction of the five-day week in the post office service. As the house knows, there is to some extent divided responsibility between the civil service commission and the personnel side of the treasury board with

respect to hours of work and working conditions. At the time I made the statement I said that introducing the five-day week in the Post Office Department was an exceedingly complex operation and that it was for that reason that it would not be brought into effect until the 1st of April.

The personnel side of the treasury board and the civil service commission have been working assiduously to get the details of the operation completed. I said at the time that it would certainly be introduced in all areas where the five-day week was in operation for office workers, so if the hon. member for Winnipeg North Centre is concerned about that aspect he can take it for granted it will be in operation in Winnipeg. As the Secretary of State has said, we will make inquiries and see how far the civil service commission and the personnel side of the treasury board have proceeded with the work. But the house can take it for granted that it will be widespread and very expensive, and I think that is really all the information the house needs in detail in considering the bill that will be discussed later this afternoon.

Mr. Speaker: This is a discussion on the bill. We are now on orders of the day and questions are being asked. If other members wish to ask questions of the ministers I will recognize them. Otherwise I shall call orders of the day and the Clerk will read the first order, which is the Post Office Act. Perhaps there might be a further discussion then, but first let us read the order of the day.

Mr. Drew: Mr. Speaker, may I submit that there have already been answers—

Some hon. Members: Order.

Mr. Drew: —by three ministers which indicate that the source of information cannot come from one minister.

Mr. Speaker: With due respect to the Leader of the Opposition, may I point out that this matter was brought up on a question of privilege upon which I have already ruled. We are right back in the position we were in before that question of privilege was raised, the question period on the orders of the day. There is nothing else before the house at the moment. Orders of the day.

POST OFFICE ACT

AMENDMENT TO INCREASE POSTAGE ON LETTERS AFTER APRIL 1, 1954

The house resumed, from Thursday, February 4, consideration of the motion of Mr. Cote for the second reading of Bill No. 168, to amend the Post Office Act.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, it has been stated in the past few minutes that a number of reasons have been outlined by the Postmaster General (Mr. Cote) as to why he supports the bill to increase the postal rates. Analysing the statements that have been made by him as found in *Hansard,* I find that the Postmaster General put forward two basic reasons for the introduction of the bill. One is his claim that he requires to make up the sum of $13,500,000 which he maintains will be required to cover general salary increases, the cost of the five-day week and increased remuneration to mail contractors. He says that in addition the department will suffer a loss of $7,500,000 owing to the removal of stamps on cheques.

I should like to deal first of all with the $7,500,000 loss brought about by reason of stamps no longer being required on cheques. That is not a reason which should have been put forward by the Postmaster General. If this loss is, as I maintain it is, strictly the result of a cute, political trick pulled by the Liberals just before the election, then that should be their responsibility. At the time the government took that action prior to the election they were looking for kudos and backslapping because they were removing that charge and doing away with the inconvenience; but nothing whatsoever was said to indicate that the tax was going to be reimposed in another form after the election. Therefore there was, without a doubt, a general assumption on the part of the people that the loss would be made up out of the general revenue. I say it was a straight, cute political trick. It reacted entirely to the advantage of big business because the average citizen does not issue a great many cheques. It is companies, business, that issue the majority.

Mr. Speaker: Order. I do not know whether the principle of the bill as it now stands does not offer enough scope for relevant discussion, but it seems to me that I have to intervene much more often than I wish to. The hon. member is now dealing with a certain action taken by the government on an earlier occasion. If he wishes to make a comparison or a passing reference to that as being the reason for the increase contemplated by the bill it is quite in order. I have let many others do that. But the minute he goes into the merits or demerits of the action taken by the government at the last session in removing the excise tax on cheques I think he is drifting too far away from the principle of the bill.

Mr. Winch: Mr. Speaker, I thought I was adhering strictly to it because time after time the Postmaster General brought in this argument.

Mr. Speaker: Order. It so happens that, while the hon. member thinks he is dealing with the principle, I happen to think differently, and that being my ruling I would ask the hon. member to relate his remarks strictly to the principle of the bill.

Mr. Winch: Naturally, Mr. Speaker, I have to bow to your decision, but understand my difficulty as to how an argument can be used on one side and not on the other.

Mr. Speaker: I do not want the hon. member to leave the impression that I permit members on one side to follow a certain trend of argument and do not permit members on the other side to follow the same trend. The hon. member knows perfectly well that he was dealing with the gesture made by the government last session as being favourable to big business. He went on to say that big business does not need to have that kind of gentle gesture made towards it. It was at that moment that I intervened. Now, I believe the hon. member and I understand the situation fairly well.

Mr. Winch: In the arguments the Postmaster General used in support of the motion for second reading of this bill he mentioned the necessity for making up a loss of $7·5 million by an increase in the postal rate on first-class mail. I desired to state, Mr. Speaker, that in my estimation that loss is not one which rightfully should be given as a reason for an increase in the postal rate on first-class mail. Time after time the Postmaster General reiterated, not once but over a dozen times, his belief that those who used the mails should pay for them and that was the principle in this bill. If that is correct, then I would have expected that before this house was asked to impose a greater charge on first-class mail that principle, if it is not now in effect, would have been put into effect. That is not the situation, so the arguments that are used by the Postmaster General as to why this bill should be passed are the very reasons why we believe it should not be passed.

I refer the minister again to his own administration of this department, and to the statistics made available to this house and the public in the report of the Post Office Department. I am basing all I am going to say on the statements of the minister and the Secretary of State (Mr. Pickersgill) that those who use the mails should pay. According to the latest information I have on first-class mail at the present rate, for every 46 cents of revenue the cost of handling and distributing that mail is 29 cents. The revenue on first-class mail is 46 cents and the expense is 29 cents. We are informed that this works out at approximately $16 million of net profit on the handling of first-class mail. In such a situation where does the principle, that those who use the mails should pay, come into effect? We are being asked through the medium of this bill to authorize an increase that will bring in, according to the Postmaster General, a net revenue increase of $14 million. This net revenue increase of $14 million can only come from one source, and that is the increased postal rate on first-class mail. This is what the Postmaster General is asking, on the basis of the principle that those who use the mails shall pay. He is not satisfied with a net profit of $21 million; he wants a net profit of $35 million from those who use the first-class mail. I believe his own argument falls down completely.

In so far as second-class mails are concerned, the latest figures reveal that for 5 cents of revenue the cost of handling and delivering is 18·5 cents. The revenue is 5 cents and the expense is 18·5 cents, and this accounts for a deficit of approximately $16 million. The Postmaster General and the Secretary of State, in supporting this bill, say they believe in the principle that those who use the mails shall pay. I cannot see that argument, on the basis of the figures I have presented. If the Postmaster General really believes in the principle, then he should see that it is put into operation. If there is a deficit once the principle has been placed in operation, that is the time for him to come before the house with such a bill. I believe that to do so now, on the basis of this argument, is a most fantastic and ridiculous thing.

I was grateful that this debate could be adjourned last night because I desired to have the opportunity of reading the J. D. Woods and Gordon report which the Postmaster General tabled in the house yesterday and which appears as an appendix to *Hansard*. It is a most interesting report, although it is quite brief. Even before I read this report I was opposed to this bill, but after reading it I am more than ever opposed to it. It is quite obvious, at least to me, that something radical should be done in the post office administration branch. I cannot quite understand how this department has operated as efficiently as it has. The report, almost throughout, lays emphasis on the necessity for key personnel or the "top brass" of the organization. Just go through it very briefly, Mr. Speaker, and then try to understand

how the postal service has continued to operate. I am taking the word of the Postmaster General that J. D. Woods and Gordon is a good firm on business administration.

Let us look at the report as it appears on page 1806 of *Hansard* for February 4, 1954. It reads:

Operations Branch

(a) Chief superintendent—engineering—a man should be obtained from outside the service to fill this vacancy . . .

(b) Mechanical engineering division—This position should be filled either from outside the service or possibly by one of the engineers from one of the major post offices . . .

(c) Methods and time study division—A start should be made immediately on the organization of this division. Either the man to head the division or one or two of his assistants should be drawn from outside the department . . .

(d) Chief superintendent—operations—This position should be filled by the most experienced man available within the service . . .

(g) Methods and procedures division—The organization of this division is dependent on obtaining suitable personnel to carry out the work . . .

(h) Inquiries division—As soon as a suitable postal superintendent can be selected, this division can be formed.

Transportation branch

(a) Chief superintendent—transportation planning and research—This position should be filled as soon as possible . . .

(b) Chief superintendent—transportation services —This position should be filled by a man with proven administrative ability . . .

Financial branch

(a) There are three senior positions to be filled in this branch and the organization changes can take place as soon as suitable men are available. In addition there is the position of comptroller in the administration branch. It will probably be necessary to go outside the department to fill two or three or these four positions . . .

This is the way the report reads; key man after key man; reorganization after reorganization, and recommendations to go outside the department to obtain suitable men to do the job. Is it any wonder, Mr. Speaker, that we feel the Post Office Department must have done a remarkable job in the past in operating as efficiently as they have? In view of that brief report which the Postmaster General received in December 1952—I have not seen the main report—I say there is conclusive evidence that some reorganization should be undertaken by the government. I say, on the basis of this report, that they are not carrying out their own principle that those who use the mails shall pay. I believe, therefore, that this bill should most certainly be emphatically rejected by every member in this house.

(Translation):

Mr. Romuald Bourque (Outremont-St. Jean): Mr. Speaker, I did not intend to take part in the present debate but so much fuss has been made about the report which was tabled the day before last that I believe it is my duty, as a businessman, to rise and voice my protests.

(Text):

Before proceeding further I should like to say that for the last three days hon. members have been commenting upon the report as if it were the Bible. Let me say that I have now before me a report which, as a businessman, I have just had prepared by a firm of management engineers. It is a very complete report. I have not studied it yet, but I am sure when I do study it that I possibly will not implement more than 40 per cent of what it contains.

I understand that about two-thirds of the recommendations contained in the report submitted to the Post Office Department have been implemented. This shows that it was given very close study, that it has been implemented after the study was made, and that the decisions were made by superior officers in the department.

We have just been told that one of the recommendations in the report was that some of the senior officers were to be changed. Well, in these days, in business, every day we are confronted with such things. We have to make continual changes in the administration of different corporations in which we are interested. And not only that, but in the larger corporations a complete bookkeeping system may be installed today, and in eight months' time it may be found that that system is not as efficient as it was supposed to be. As a result it is thrown out, and another one comes in.

So it is not surprising to find, in a vast department such as the Post Office Department, one which covers the whole of Canada, one which employs thousands of persons in thousands of localities, and handles mail in all parts of Canada as well as mail from the United States and other parts of the world—I say it is not surprising, in a department of this kind, to find at certain times that the degree of efficiency is not all that it should be.

Hence this report was called for and made; and we are told that to the extent of two-thirds the Postmaster General has implemented the recommendations it contained. I say he is to be commended upon his efficiency. This is particularly true when we consider the billions of letters handled by the department, and place alongside that the very slight loss that has been suffered in the last few years.

And yet some hon. members are very critical. For instance, if a letter coming to one of them is delayed, then immediately he

attacks the department, and says all kinds of things about it. But we do not hear anything about human frailties, with the thousands of employees in the department, the number of trains it uses, the number of post offices, and the great number of articles passing through them. We hear nothing from them about the great number of hands through which a letter passes before it reaches its destination. To my mind it is nothing short of wonderful that in Canada at this time we have such a satisfactory system, with so few complaints coming in—and hon. members are in a position to know, because we receive complaints from practically all parts of Canada.

I do not want to be too long in what I say today, but I do not think the working population in Canada is going to object too strenuously to the increased postage they will be called upon to pay. I do not think the average employee writes more than ten or twelve letters a month; and if he is called upon to pay only one cent more, then I do not think the ten or twelve cents a month more, the $1.20 a year, will annoy him too greatly because he will be conscious of the fact that he is anxious to have increases in his salary, and that he has enjoyed such increases in the last few years. He will bear in mind that post office employees are also entitled to increases, and that if those employees are to receive higher pay it must be taken from the public by way of a higher postal rate.

The cost of living has increased to people in every walk of life, and I am sure that all employees in Canada will be glad to contribute their bit to enable the Post Office Department to continue the efficient service it has been giving the people of Canada.

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, listening to the Postmaster General (Mr. Cote) last night I thought of something I received through the mail not long ago. It was a civil service notice advising that a commercial artist was required in the Department of National Defence.

I wondered about it, and discussed the matter with a colleague of mine. He gave me an answer in these words, "Well, with the estimates coming down, the Department of National Defence needs a commercial artist to paint a brighter picture." It seems to me, Mr. Speaker, that we will not find such a gentleman attached to the Post Office Department, because the Postmaster General needs no commercial artist: he paints his own picture. And he paints pictures that sometimes are not quite in accord with the facts, as many people see them.

This report has been tremendously valuable, I think, in establishing certain facts. One point which has not been brought out, and which might just be mentioned, is that apparently it cost over $70,000. In my original remarks I made reference to $10,000 or $15,000; but we find in the figures for the department a total of $72,000.54 paid to this company in the last two years. I want to get my money's worth out of it, as I believe most of us do; and that is why we are using the facts contained so plentifully in that report.

Before going further I wish to make one point crystal clear, so that subsequently it will not be distorted by the Postmaster General or by anybody else. He has tried to make it seem that it is inconsistent to compliment certain aspects of his departmental operations while condemning others. He said that several times and in various ways yesterday. I say there is no inconsistency in this. I, personally, am quite happy to stand here and praise the great bulk of post office employees who are doing their work under such trying conditions, and, although being so maladministered, are still doing their best to do a good job. I praise those employees for what they are doing.

I cannot help thinking of the words, as I remember them, written around the post office building in Washington. Perhaps I am not reciting them exactly, but I believe they run something like this: "Neither hail nor heat nor snow nor darkness of night shall slow these carriers from their appointed rounds."

Most of the people in the Post Office Department are doing a good job; but I criticize in the very strongest terms the Postmaster General for his administration of the department, and for many of the ways in which it is administered under his direction. I would remind him again, so that there may be no distortion, that these are two totally different fields—the staff who do the work, and the man who is responsible for directing the department.

And just thinking back to the quotation to which I referred a moment ago, it will be recalled that there was a reference to the darkness of night. I just cannot help feeling that if there is any darkness around this department, then it is that which has been caused by the minister himself, in an attempt to defend what is obviously an indefensible measure.

First of all I should like to deal in general terms with the arguments the minister introduced yesterday.

On page 10 of the report it says:

> The terms of reference were, in short, to see what improvements if any could be made in the existing postal services.

The report lists 73 recommendations under various headings so therefore we have indication that great improvements are possible. Further on page 13 the report says:

> Our principal object in this survey was to consider the over-all organizational structure, not to make detailed studies of ways and means of cutting costs.

And again:

> We have, however, during the course of our survey noted a number of instances where we feel confident substantial savings and improvements in service can be introduced providing the organizational structure is strengthened.

It is obvious that this report was not even designed to point out ways and means of cutting costs. That means that if those things arose as purely incidental to the report, beyond this report there must be a tremendous field in which costs can be further reduced and in which more work can be done to assure efficient administration. It is obvious that there are hundreds of thousands of dollars to be saved, that there are millions of dollars to be saved that I do not think the minister has even told us about.

Let us continue with the minister's remarks. Having had about two weeks to study our argument, the minister came back with what seemed to me to be a very poor case. We have had only overnight in which to study it, but his case is such that it takes no great strength to refute it. I should like to deal with the argument the minister introduced yesterday, and first of all I shall quote from his remarks on page 1765 of *Hansard*, as follows:

> Let me first state that in presenting this report the firm of business consultants estimated that in terms of salaries and additional staff required, increased amounts of approximately $300,000 per annum at headquarters and approximately $400,000 in the field would be required—

I fail to find that statement anywhere in the report. I challenge the hon. gentleman to show me where that statement is contained in the Woods and Gordon report. This means that we have here a perfect example of atrocious turnings and twistings which my leader so aptly termed yesterday as a tawdry political statement. But more important than that, it indicates something else. As far as I can see, it indicates that the Postmaster General somewhere has another more secret document from which he himself could draw those figures. I am quite sure, or I would rather hope, that he did not just draw them from his hat.

I should like to know whether this is a piece of isolated information which just came to him on a piece of paper or whether it comes from another secret document which in addition to this information contains other information which should be laid before this house and which specifically estimates possible savings as a result of the changes which the company that made the study suggests. I would like to know, in short, what the Postmaster General is hiding.

Then yesterday the Postmaster General attempted to deal with a statement I had made during the debate on the resolution. I think the easiest way to deal with this would be to read my remarks and then read his interpretation, which is completely different. I shall then tell why I said it. On January 15, as reported on page 1178 of *Hansard*, I said:

> Before I resume my seat I have just one further question. I should like to ask the minister when we in Notre Dame de Grace are going to get our second mail delivery a day.

By the time the minister got here he referred to my remarks as follows, and I quote from page 1769 of *Hansard* of yesterday:

> —he concluded by asking that the same postal department spend $4 or $5 million more to give the service of a second delivery a day in residential areas.

It will be seen that there is absolutely no relationship between those two statements. The reason I interjected that remark when I was speaking was that on December 4 I had written asking substantially the same question. Almost two weeks later I got a reply from the minister in which he said that the postmaster at Montreal had been asked to submit a report in that regard and when it was received I would be further advised.

It seemed to me that from December 15 to January 15 was long enough, even under present circumstances, to get a letter from Montreal to Ottawa and back, and so I asked the Postmaster General about it. The result is that my remarks were distorted and twisted to mean something which was never meant.

We have another interesting statement in the Postmaster General's remarks. He referred first to the financial statements which he publishes for the public, and then on page 1765 he is reported as follows:

> We do, however, maintain for our own guidance office estimates of what these various services amount to.

And then in the same paragraph:

> In recent years, however, these statements showed deficits not surpluses.

Is that not interesting? Apparently the hon. gentleman keeps two sets of figures. As he says, there are two sets of statements, one for the public, which he publishes, and another which apparently shows a truer picture, according to the hon. gentleman, for his department, and which he does not publish. That is what he says here that he has two statements, one which is published and another which is not.

This rather reminds me of the person who was applying for a job as a bookkeeper. He was asked if he could do double entry bookkeeping, and he replied, "I do double entry bookkeeping and even triple entry bookkeeping." He was asked what that was and he said, "In my last job I kept one set of books for the boss showing the true profit; another set of books were kept for the shareholders, showing no profit; and there was another set of books for the government tax collector, showing a loss." It seems to me that the Postmaster General has got as far as double entry bookkeeping with his two sets of statements.

So far we have seen two things. We have seen that the Postmaster General has been attributing figures to the Woods-Gordon report which were not contained therein. We have seen that he has another set of statements which apparently show a different picture from those which he published. If the hon. gentleman has information which denies that which he has given this house, and which bears on the problem, let him produce it so that we can see it and make our decisions and so that the people of Canada can make their decision on the facts of the case and not on his twisted interpretation of them. I feel rather badly about that twisting of my statement yesterday, and I am sorry if I am showing it just a little bit. Those remarks yesterday were quite misleading. Referring again to the question of ways and means of obtaining money to meet the additional expenditures which the hon. gentleman listed, he said, as reported on page 1769 of *Hansard*:

> There are two ways of obtaining the money to meet these additional and essential expenditures. One is by an increase in the postal rates; the other is by general taxation. So far I have not received from anyone in the house any other suggestion.

Let there be no doubt in the hon. gentleman's mind. If he did not read or could not understand or did not appreciate my previous remarks, I am now going to make an additional suggestion. I make the additional suggestion that he institute efficient administration in his department in order to accomplish these savings which, he says, he requires to meet his additional expenditures.

Of course, Mr. Speaker, the truth of the matter is that the hon. gentleman seems to have difficulty in even understanding what efficient administration is. Let us see why I make that statement. Yesterday the minister said, as reported at page 1766 of *Hansard*:

> The fact is, as the report repeatedly states, that the department is well administered and departmental officers have vigorously pursued a program of efficient operation over the years. What better evidence of this is required than the fact that during the past 20 years the volume of mail has increased by 178 per cent whereas the increase in total staff approximated 100 per cent?

Apparently that is the position on which the minister stands. He claims his department is well administered, and asks: "What better evidence can you require than this?" But, Mr. Speaker, the Post Office Department is engaged in the carriage of mails. The railways of this country are engaged in the carriage of passengers and freight. Let us see over the same 20-year period what the railways of this country have done. The steam railways of this country—my figures come from the Canada Year Book—have increased their combined passenger and freight mileage, passenger miles plus freight ton miles, by 211 per cent between 1931 and 1951, and during that time they have increased their staff by only 31 per cent. Here we have a comparison. We have the post office volume increased by 178 per cent and staff by 100 per cent, and we have the steam railways volume up by 211 per cent, and staff by 31 per cent. Both are engaged in fundamentally the same type of business, the carriage of commodities.

That demolishes, I believe, for all time the minister's claim, because similar instances could be introduced from many other fields showing that this vaunted record which the hon. gentleman is so proud of is inferior, owing to bad administration. He claims it is good administration which has produced this record, which, in fact, is inferior to most other industries and most other businesses.

Let me remind the minister that I am not criticizing the employees of the department. I am laying the blame on the administration of the department which is directly under the hon. gentleman who sits opposite me.

The hon. member on my left dealt at some length with the appendix which the Postmaster General tabled last night. I am not quite sure, because the minister did not indicate—and that may be rather curious—to which year that report referred. He said "December 17" on two occasions, but not once did he say which year it referred to. Surely he knows which year. However, let us look

at it. If the document he tabled, containing a set of recommendations on the implementation of the reports, was received at the end of 1952, then the estimates for the coming year, which I have in my hand and which I have had only half an hour to study, contain very few of the recommendations contained in this Woods and Gordon report. It is quite obvious that if the recommendations in that report were to be implemented by March 31, 1955, then these recommendations would show up in the estimates. The Woods and Gordon report make suggestions for changes in position, for changes in title, and for changes in administration generally. I have studied the Woods and Gordon report, I sometimes suspect, almost as well as the hon. gentleman who holds the position of Postmaster General, and I have searched for half an hour and I cannot find any indication in these estimates that the implementation of this report is going through at the present time.

If this document which he presented is dated 1953—that is quite possible—then he received the report and waited thirteen months before he even asked for a set of recommendations as to how to implement them. Let the hon. gentleman take his choice, but I do not think it reflects too great credit upon his administration.

Turning for a few minutes, Mr. Speaker, to a few points which are brought out in this report, I would like first of all to deal with the carriage of mail. It is quite apparent from the report that the department seems in the dark as to the amount of subsidies it is paying to various carriers. For example, we find this at page 50 of the report:

> After a service has been in operation for a number of years the fact that it was the intention to pay a subsidy while the service was being introduced is lost sight of and future contracts are based on the existing contract. The subsidy may therefore be perpetuated long after the justification for it has ceased to exist.

Then on page 56, the report reads:

> The present form of contract with the railroads results in a subsidy being paid which is not clearly recognized.

A few sentences after that we find this:

> The department as a result is normally paying for space which will be required only on rare occasions.

I would draw particular attention to that statement, Mr. Speaker. What a horrible thing to have to say about that being done with the taxpayers' money. And then the hon. gentleman comes in and says, "I need more money from the taxpayers through the increase in postage rates in order to carry out such a practice."

The most obvious injustice, of course, Mr. Speaker, is in the case of air mail. In a previous speech in this house I pointed out that the department pays the Trans-Canada Air Lines some four times as much per ton mile as the average of other air freight which they carry. Let us examine this for a moment. The post office deals with Trans-Canada Air Lines, and Trans-Canada Air Lines is a hybrid organization. Its stock is held by Canadian National Railways which reports to the Department of Transport, sometimes—when it feels like it, I rather suspect. I have seen other occasions when it did not report when it was requested to do so. But at least in theory it reports to the Department of Transport. That is the C.N.R. On the other hand, the T.C.A., which the C.N.R. owns, reports to the Minister of Trade and Commerce and Defence Production.

Therefore, at a time when a question of rate adjustment comes up—and this is one time, frankly, when I feel just a little bit sorry for the Postmaster General—we have the hon. gentleman on one side who presumably would like to see his mail carried for the lowest amount of money, while opposed to him automatically, within this set of circumstances, we have two ministers whose interest is in carrying the mail via air mail at the greatest possible rate. We have the Minister of Trade and Commerce (Mr. Howe) to whom Trans-Canada Air Lines report and we have the Minister of Transport (Mr. Chevrier) who, through the Canadian National Railways, is going to be affected by the operating results of Trans-Canada Air Lines. The matter is extremely complicated. It took me quite a little while to figure it out. But it is also very plain that you have two ministers on one side and one minister on the other. Perhaps that is the reason—I do not know—why we see this absolutely astonishing situation in which our post office pays per ton-mile some four times as much as do other people who use the same equipment and the same type of services.

I would just remind the gentleman who is the Postmaster General (Mr. Cote) that it is possible to be so amiable about things that one becomes absolutely ineffective in protecting the interests of one's own department and in looking after the interests of the public themselves.

Let us take another interesting case. On page 41 of the report, referring to relations between the Department of Public Works and the Post Office Department, we find this:

> The two departments might well consider an arrangement whereby the supervision of caretaking, maintenance and service staffs would be the responsibility of the Post Office Department . . .

In the *Financial Times* for January 29 we find a story with regard to towels, soap, etc., which says, "The servicing job has been

handed over to public works". In other words, after paying our money, $70,000 of it, for a report—and I would think, on balance, it is an excellent report—made by experts in administration, we find it recommending one thing. Then eighteen months later we find the department doing the exact opposite. The report recommends that the Post Office Department take this thing over. But the exact opposite is what happens. The Department of Public Works takes it over, which is just the thing that has not been recommended by the report. Actually, it is the thing which the report says one should get away from. How can the minister sit there and think of the things he said last night and not feel shamed by these things?

There is one other thing in the report to which I should like to refer. We find the report saying this:

> Under the present procedure before tenders can be invited the purchasing and stationery division must forward a list setting out the names of the suppliers who are to be asked to tender to the deputy postmaster general; he in turn passes it to the Postmaster General for approval. This practice is presumably to allow the Postmaster General to add to the list of suppliers any names he may wish. This procedure adds to the delay in calling for tenders.

I am not going to expand on that paragraph unduly, Mr. Speaker, but I think it is unfortunate that the administration of the Post Office Department should be held up in order that the Postmaster General can add the names that he wishes—and they might very well be personal friends of the government—to the list of those who are going to tender for particular contracts.

The United States has been referred to periodically in the course of this debate, Mr. Speaker. I took a great deal of pleasure last night in voting in support of a motion which proposed that the bill which is now before us might receive further study in a committee. Without trying to go to too great length, I might list some of the things which have been done in the United States before they have come to their conclusion, and I might say that they are still debating. They held public hearings on the subject last summer. They had an independent organization prepare a report on public reaction and public feeling about this matter. They set up a 10-man advisory council of the post office committee, which reported. They obtained a Senate report on the subject. There were various other incidental things. Of course they retained a prominent firm of chartered accountants to study costs, allocation of expenses, existing subsidies and so on, in order to give them adequate information.

The important point which I should like to make is this. This report which they obtained went far beyond the confines of the Woods-Gordon report; and it was made freely available to all who wished to see it without any sputterings, camouflage, delays or insinuations. Here we are being asked to decide an increase of many millions of dollars in the postage rate. Since the Postmaster General has made so many obvious slight errors up until now, I just wonder whether it is not possible that, in his calculations, he might again have made an error of a few million dollars, which error would invalidate the stand that he is at present trying —I think so unhappily—to defend.

I might say also that in the United States their committee suggested only 28 changes, one-half of those suggested in the Woods-Gordon report and, according to *Advertising Age* of January 25, 1954, their committee reported that "hundreds of millions" of dollars could be clipped from post office operating costs.

Even allowing for variations as between the United States and Canada, surely there is some opportunity up here for doing the same. I will give the Postmaster General one example. If he would be realistic about the printing of his stamps, he could cut his costs in that department alone in half, and that would represent about $375,000 a year. I am quoting here from an article in the *Wall Street Journal* which refers to investigations being done on this matter in the United States. To take one paragraph referring to this rotogravure process, it says this:

> And, says the man from the engraving bureau, rotogravure stamps cost less than half as much to turn out.

And later:

> To the layman, the rotogravure stamp will look as good as the current stamp, indeed far prettier.

Mr. Speaker, I think I have perhaps stayed away from the arguments that have been used in the past. I think perhaps I have introduced a little bit of new material. I think perhaps last night I found one of the reasons for the problems in the Post Office Department when the Secretary of State (Mr. Pickersgill) said that he had occupied the position of Postmaster General for a few weeks. I just want to say that I look forward with particular interest to what may be said by the gentlemen who support this government, because we have heard very little from them so far.

Perhaps it all falls into the same category as the statement made to me once by someone outside this house who had not had the benefit of a great deal of education. I am

not suggesting that there is anybody in that class in the house. But he said to me: "You know, when you ain't got an education you just got to use your brains." We on this side of the house first of all have our education, but on this measure we are also using our brains, and our brains logically lead us to the conclusion that the present request of the government for an increase in the postage rates is completely indefensible and completely unsupported by any substantial documented or intelligent evidence. For that reason I, and I would imagine my colleagues as well, am certainly opposed to this increase.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I join with others in opposing second reading of the bill. I quite agree that the government has failed to give the house adequate reasons for the imposition of this additional tax on the people of Canada through an increase in the rates on first-class mail. If the figures that we have heard are correct and first-class mail has been yielding the department a very substantial revenue over and above the cost of operation, then the statement of the minister and of the government, that each service or each branch of service should pay for itself, of course falls to the ground, because so far we have not heard how the post office loses the amounts we have been told it loses, and will lose, and what that loss is in the various operations of the Post Office Department.

For example, we have not heard to what extent the carriage of second-class mail is profitable or unprofitable. I think the minister should give us that information, and I certainly do not think that this imposition should be made upon the users of the ordinary services of letter mail in order to make up deficits on second-class mail. If it is in the public interest, as has been said several times in this debate, to subsidize second-class mail—and it may be in the public interest—then it seems to me that should not be done by the users of letter postage mail but should come from general revenue.

I say to the minister that until we have complete information regarding the department and its operations we should not give consent to the second reading or passage of the bill. I should like to have seen, as I said when the matter was before the house earlier, a thorough investigation of the postal department. I do not think it hurts any department of government to come before a parliamentary committee, explain its operations, and allow hon. members to question various officials as well as the minister in charge. I want to say to the Postmaster General (Mr. Cote) that I am not particularly critical, shall I say, of him personally. I do not think that is the point. The point is that I am critical of the department and its operations. There are many things about the department that I and many other members of the house would like to know.

I think of the organizations that have come before parliamentary committees—Canadian National Railways, Trans-Canada Air Lines, the national film board on one occasion, the Canadian Broadcasting Corporation on several occasions. Not only do we get very valuable information in such committees, information that enables us to come to decisions as to what the organizations are doing, but we also help the organizations themselves. I think much good has come out of the various parliamentary committees on broadcasting, the film board and atomic energy; and certainly the appearance of the presidents and officials of Canadian National Railways and Trans-Canada Air Lines before a committee has helped both members of the house and the organizations themselves.

I do not think for one moment that the house should give second reading to the bill until we have more information. I think that the amendment we moved last evening was one that the government should have adopted so that an inquiry could have been held before this measure passes, becomes an act of parliament and therefore an imposition on the people made by this house. Because I believe that, I am going to suggest that we do not proceed with the bill today. Indeed, I am going to put that suggestion in the form of a motion. I move, seconded by the hon. member for Vancouver-Kingsway (Mr. MacInnis):

> That the motion for second reading of Bill No. 168 be amended by deleting therefrom the word "now" and by adding at the end thereof the words "this day six months hence."

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I think there is quite a bit of merit in the amendment that has just been moved, and in speaking on it I should like to deal in some detail with the remarks made by the Postmaster General (Mr. Cote) in the statement which he presented to the house yesterday. He said in part, as found at page 1764 of *Hansard* for yesterday:

> We think the readjustment of the postal tariff, increasing the postage rate, is the most equitable arrangement . . .

We have said on numerous occasions since this debate started that we do not agree with that statement at all. I might point out that the principle of equalization of rates has been

accepted in many spheres of public service in Canada as well as in other countries. Surely that same principle can be fairly applied to the allocation of revenues and expenses among government departments, as indeed it is in some of them. I was interested in reading some comments on this very subject the other day in my home town paper, the Hamilton *Spectator*, in which it was said:

> In fact the whole basis of present day government finance is the collection of revenue according to the individual's ability to pay and the spending of it according to the general interest of the nation.

I think we have ample evidence that this is true. The *Spectator* goes on to ask:

> . . . why should Ottawa decide that just one department of government must be put on a paying basis —a department which performs a public service essential to the national good; a department which by increasing its charges can affect every citizen, raise the operating cost of every business and, quite possibly, interfere with that free communication which is vital to the development of a sprawling country.

The minister used as an argument the fact that it was not fair to ask the office girl or the worker or the little man to pay for the stamps of big firms like Eaton's, Morgan's, Simpson's and Dupuis Freres. That is precisely what they are doing, Mr. Speaker, under this new arrangement, because under the new rates these companies can claim the additional postage as an expense of doing business. For this reason it costs them less than 50 per cent of the additional postage because their taxes are in that category. The individual has no such advantage. What he pays out is a net loss to him. He is, in effect, therefore, doing that very thing, helping to pay for the postage of these companies which are, by reason of the nature of their operations, permitted to deduct from their cost of doing business the additional postage which they pay.

The little fellow who writes only a few letters each year is probably not in the income tax brackets. It is all very well to say this should be spread over all the people, but it is not spread over all the people. The little fellow now pays indirect taxation, sales taxes, and now the Post Office Department has decided he shall carry another levy which is not wholly paid by the industrial concerns of this country, the additional postage rate.

Later on, speaking of the four main proposals which he claimed the opposition had made, the minister said that if we should take the additional cost out of general taxes we should have a truly subsidized service. Towards the close of his remarks he said that this scheme would have illogical and dangerous consequences. Is this a new order under which we are operating? This is the first evidence we have had that the government views with horror the idea of subsidization. Even granting the government has had a change of heart or that the Postmaster General stands alone in his new-found virtue, it must surely be admitted that, if the Post Office Department is not to have the benefit of subsidy, then by the same rule it should not be called upon to dispense gratuities to other departments of government from its revenue. As the Postmaster General reminded us yesterday, you cannot have your cake and eat it too.

It seems to me the minister also made a little play on what he referred to as "the elementary principle that one thing cannot at the same time be white and black". I think there was some reference to the sins of the opposition in regard thereto. It would appear that the opposition are not the only sinners, Mr. Speaker. Certainly the Postmaster General's remarks, and the inference being drawn from them, would indicate that the government is guilty in this regard, too. I was very much interested all the way through the statement which the Postmaster General made, and from time to time I made a few notes. Until I actually obtained the text of his statement, I am afraid that some of the implications escaped me. It is rather difficult to hear a statement read in the house and absorb the full implications at the time it is being given. I made a few notes which helped me in looking for what I considered to be the more interesting portions of the statement.

I should like to refer to one statement, which has already been mentioned briefly this afternoon by the hon. member for Notre Dame de Grace (Mr. Hamilton), and that concerns the financial picture revealed by the statements in the Postmaster General's annual report. The minister said the statements had been prepared for years along the same lines, and naturally are for comparative purposes. They do not furnish a financial picture along the lines that are usually provided in connection with commercial or industrial undertakings. Of course, that is apparent to even a casual observer.

The minister is basing his argument for an increase in rates on the figures of the department which he now admits do not reflect the true position; that is precisely what we have been saying right along. The minister is asking for an increase in rates which he cannot, under any circumstances, substantiate. Even today we had another example of this fact when several members of the government were unable to tell us just what the plans of the department and

the civil service commission were concerning the implementation of the five-day 40-hour week. If the Postmaster General and these other ministers have no idea just how the implementation is going to be effected, how can they say they need $5 million for this purpose? It is a guess, and probably a wild guess at that. I am amazed that, in the light of this, the minister has the temerity or possibly the naiveté to ask this house to sanction an increase in postal rates because he feels that next year's fictitious figures will show a deficit. He does not know how much, but he comes to this house and asks for $15 million to play with, just in case we have a deficit.

The Postmaster General went on to make some other allegations. He related some of the things that we had said, and he said some things that we had not said. Speaking about the cost of operation of the department, he said that they had not calculated or taken into account the value of the services rendered to the department by the civil service commission. He went on to say what those services were. The same remark applied to the Department of Finance in connection with salary accounts, the writing of cheques and so on. He said these estimates do not take cognizance of the fact the Auditor General provides a free audit service. Do these departments not supply the same service to all other departments of government?

Let us follow this argument through to its logical conclusion. Supposing the Auditor General charged each department with the cost of auditing? I would think that by the time he got through at the end of the year there would be no need to have any estimates for the Auditor General's department, because all the other departments would have been charged with those costs. In turn, each of the departments preparing its estimates would put in an item for auditing. They do not do that. Apparently the Postmaster General thinks they should. Supposing the Department of Finance charged each other department of government with expenses in connection with salary services. In that case, the estimates of the Department of Finance would be materially reduced. All of these arguments which the minister used merely serve to point out our main contention, that the department itself does not know where it stands; yet it asks for an increase in rates.

The minister also tried to link up remarks which had been made by my leader with a reference to the situation in the United States. After telling that a speech had been made by the President of the United States, in which he intimated his intention to ask for an increase in postal rates, and despite the fact that this matter has not been considered by the congress of the United States, he said:

> This makes it clear that the United States government is abandoning the policy which the Leader of the Opposition (Mr. Drew) suggests we should follow.

Mr. Speaker, a little marginal note I made yesterday when the minister made this statement is, I fear, distinctly unparliamentary. So, following his example, I suppose I should make that confession, and then withdraw the unspoken remark, as he did yesterday.

Mr. Cote: Do it discreetly.

Mrs. Fairclough: I do not want to be sued. The very idea of suggesting that in our opposition to the increase we are likely to build up a deficit of $770 million, or even the Canadian equivalent, on a per capita basis, of about $55 million, is simply ridiculous. Apparently the minister and his advisers know this full well, because otherwise I fancy they would be asking for an 8-cent mail rate instead of a 5-cent rate. And that is just about what would be needed to cover a deficit of $55 million.

We contend that the 5-cent rate now proposed is just as unnecessary as an 8-cent rate would be, and we say the government has yet to show good and sufficient reasons why this essential service should not be supplied to the people of Canada at rates which are now in effect.

The Postmaster General then went on to talk about the cost of making the alterations in the service which had been suggested by the J. D. Woods and Gordon report. He admonished the house to please bear this increase in mind.

Well, Mr. Speaker, expert business consultants do not suggest expenditures unless they can justify those expenditures in subsequent savings and increased efficiency—and probably both. And so to say that the cost of making these improvements is something which should be borne in mind is unrealistic. What we want to know is not what it will cost to put the improvements into effect, but what the saving will be to the department if the improvements are put into effect.

And then in glowing terms the minister painted the picture of the wonderful administration the department had enjoyed over the years. In fact he took so long to do it that the little note I wrote yesterday I am going to repeat today, and it was simply this: The gentleman doth protest too much,

methinks. I know the minister thinks his department is pretty good, but I doubt if he thinks it is so good that it can claim credit for the increase in the volume of mail, which undoubtedly bears some relationship to the increase in population. After all, the increase in the volume of mail handled should have some staff advantages, particularly at the administrative level. While it may take two postmen to carry twice as much mail, it certainly does not take two postmasters to supervise it. And with that increase in volume there is bound to be a saving in overhead at the administrative level.

So I cannot really believe that the Postmaster General gave too much thought to his statement that the increase in volume of mail by 178 per cent, and in staff by only 100 per cent, was a great achievement and I suggest that his bragging was not very well based. I am sure anyone who has been actively engaged in industry would not think it was much of a boast.

Then he went on to say that the officials of the department, entirely without any help, had replaced the old system of handling money order accounts. Well, I presume he was referring to the system of punched card accounting which they adopted. I must say that it is very laudable to find that this modern system was put into effect. But that is only ordinary business practice. It is used by all sorts of industries and by governments where large volume passes through their hands, and where such a change would make the procedure more efficient so that it would pay for itself.

But here again he brags about the amount that has been saved, and gives the figure of $350,000. I do not doubt that at all. But if by keeping up with improved accounting methods the department can save $350,000 annually in just one operation, how much can it save if it follows the recommendation in the Woods-Gordon report that modern techniques in materials handling be adopted? We do not know the answer to that. We know it is in the report, but we do not know what could be saved.

The minister says that we cannot make sufficient savings to keep the postage rate where it is today, but how does he know that is so? He admits a saving of a third of a million dollars in one operation. In one breath he says no great savings can be made and in the next he boasts of what he has done in adopting modern methods. How inconsistent can you get? The more I read the minister's statement, the more amazed I became.

[Mrs. Fairclough.]

Then, going on to speak about savings, he said that in the report they do not at any point indicate that these savings are to be realized immediately. Of course, you do not realize savings immediately when you change over your system. It stands to reason that it takes time to put in new methods and to introduce new techniques. It may even cost a little more until you get your new machinery, your new equipment and new system in full operation. But eventually you will make money on it, and save.

He has said it may be several months before the changes are finally completed. Well if he anticipates that it will be several months before these changes are completed, and if he admits that he has already saved over a third of a million dollars on one change, and if he also admits that this report has made suggestions which the department is seriously considering and which he hopes to put into effect, then why raise the rates now? Why not wait? Why not wait to see what can be done? After all, the department has had deficits before. It would not be the first time it has operated on a deficit.

The whole point is that he is estimating a deficit of which he is not sure—and I maintain he could not even hope to substantiate that estimate later on. Yet he asks for an increase in the postage rate at a time when he has no idea of what the results of operations may be in the department, under new and modernized conditions. Then he said:

> Thus the sweeping statements to the effect that efficient administration will permit us to make enough savings to meet the added cost are swept away by the facts.

What facts? The fact that you can save and have saved $350,000 in one operation? Does that prove that the minister cannot make a saving? I think it proves quite the reverse. Then he goes on to the question of franking, and he says that the suggested abolition of franking would cover only a small fraction of the total additional expenditures of $13,500,000, and calls this just another futile suggestion which brings no remedy to the situation.

Well, Mr. Speaker, as I recall it, the amount which the department itself estimates as being lost through franking is very close to $5 million. I believe the exact figure was $4,700,000. That is well over a third of the additional expense which the Postmaster General anticipates, and upon which he is basing his request for a 1-cent increase in the rates.

He goes on to say that the principle of franking is to give free mail communication

to those seeking, as well as to those supplying, administrative information. We know all that. And then he says the privilege is given so that free mail communication may be established between the Canadian public, the ministers and members of parliament. As I recall it, we mentioned the matter of franking, but not only the mail and communications which flow between constituents and their members and ministers. We mentioned also that this practice is indulged in rather promiscuously, if I may say so, by the various departments of government.

Who suggested in this house that franking should be abolished? As I recall it, it was the hon. member for Charlotte (Mr. Stuart) who mentioned it. Later on the hon. member for Fort William (Mr. McIvor) suggested it. I think it is only natural that other hon. members in different parts of the house should then take up the cry. As I pointed out during the resolution stage, there is much useless mail from departmental sources. I should like to read to the house a communication I received which I think well points up this claim. This letter came to me with its enclosure a week ago, after the debate on the resolution stage. It is addressed from the Norberry school, St. Vital, Manitoba, under date of January 19, 1954, and the text is as follows:

> Recently I noted that you spoke out against the proposed increase in postal rates. I too am opposed. I believe that considerable saving could be achieved at the government level. As proof I forward the enclosed book.

The book is the Canadian record of performance for purebred dairy cattle, Jersey.

> Weekly, similar material arrives from the Department of Agriculture. This is an elementary and junior high school in suburban Winnipeg.
>
> There may be some citizens who would be interested and even excited to discover that Fancy Girl, whose sire was Basil, gave milk for 305 days amounting to 3841 pounds of which 5·7 per cent was butterfat. However the teachers and pupils of this school do not seem to be included in this number. Doubtless they haven't been properly orientated or activated or whatever the word is that the progressive educationalists would use.
>
> However this is only the record of the Jersey cows. You must know that there are other branches of the cow family and that their numbers are even more numerous, necessitating thicker and heavier books.
>
> To date I haven't been able to discover any possible use for such material. However I could—and this is a fiendish idea—select some particularly recalcitrant boys and as punishment have them figure out which cow averaged the most pounds of milk per milking day. That ought to settle their hash. However I would run afoul of the Geneva convention.
>
> More seriously, this information must be compiled at considerable expense to the taxpayer. Surely this expense could be reduced by producing only sufficient copies to satisfy a carefully-selected mailing list. Those who desire such information must be highly specialized and would request it. To have postmen going about the country delivering this information to institutions and individuals who have no recourse but to consign it to the wastepaper basket, is a senseless waste of public monies.
>
> Yours truly,
> V. H. L. Wyatt, Principal.

When I made my remarks at the resolution stage, I did not have a specimen at hand. At that time I said that much of the material which comes across our desks bearing the government frank is pure junk. I do not mean that this particular report is pure junk, but in so far as this recipient is concerned it is just that. If the recipient has no use for it, why have it printed and why have it sent out? Then why turn around and say to the taxpayers of this country, "We shall have to charge another cent for first-class mail because the Post Office Department is losing money". It is perfectly ridiculous.

In speaking of the franking privilege, far from saying that the privilege itself should be abolished, I said that the Post Office Department should receive credit from the other departments of government to which mail service was supplied. This is not a matter of abolishing the franking privilege, it is simply a bookkeeping matter. If the taxpayer has the right to free mail, he certainly has the right to cheap mail. To say on the one hand that you must not abolish his franking privilege and on the other hand to say to him that he has to put another cent on every letter he writes unless he writes it to the government or to his member of parliament is pure nonsense.

Mr. Cote: May I ask the hon. member if she is for or against the abolition of franking?

Mrs. Fairclough: I thought I had made myself clear. I do not advocate the abolition of the franking privilege, but I do advocate proper credit being given to the Post Office Department for the services they render to other departments. An amount should be credited to post office revenues representing the service received by the different departments. Likewise each department should be charged with that service. In that way you would have a clearer picture and a truer position of the finances of the Post Office Department.

Mr. Pickersgill: Does the hon. member think that in order to keep its books properly the Post Office Department should pay rent to the Department of Public Works for the premises it occupies?

Mrs. Fairclough: That could probably be worked out quite well, provided the Department of Public Works will not charge the Post Office Department the full cost of space used by other departments, such as the Department of Veterans Affairs, customs and excise branches, the income tax department, the annuities branch of the Department of Labour and other branches which use space in the so-called post office buildings at no cost.

An hon. Member: That will settle his hash.

Mrs. Fairclough: In referring to rates in the United Kingdom the Postmaster General stated that the distances the mails are carried in Canada are much greater than in the United Kingdom. He went on to say:

—a large part of which is by air transport with no additional charge to the mailer.

Whose idea was that? I do not remember that this was passed by this parliament. It just became a practice. As was remarked the other day, it gave T.C.A. a considerable advantage which was reflected in its annual statement. We have been under the distinct impression that the carriage of mail by T.C.A. was intended as a direct subsidy to that organization. Perhaps, after all, it had a secondary motive, to build up an alibi for a potential increase in postal rates which now threatens to become reality.

I do not think most of the people in Canada, the average little fellows who write a few letters a month, are much interested in whether their letters are going to be carried by air or by rail. An instance was quoted yesterday by the hon. member for York-Humber (Miss Aitken) where a letter which should have reached its destination in about three days took about eleven days because it was sent around by Goose Bay and Gander.

Mr. Brooks: It had to gander around.

Mrs. Fairclough: We spoke about the elimination of the stamps on cheques and the fact that in the first session after the election the postage rates were raised. I should like to speak about that for just a few minutes. In the first instance the Post Office Department showed a surplus of $6,500,000. The Postmaster General now says that the revenue derived from the sale of stamps for cheques was $7,500,000. It would appear that at the time this policy was adopted by the government the government knew full well that there was danger of running the Post Office Department into the red to the tune of $1 million. But that was not considered at that time. The Postmaster General says that the first information of the discontinuance of the excise stamps on cheques and notes was in February, 1953. The minister goes on to show that when the stamp tax on cheques was discontinued the government was not aware that certain things would occur. It was not aware, for example, that the civil service commission intended making salary adjustments. He stated these did not commence until the fall of 1953. He also stated that at that time they apparently did not know anything about the five-day 40-hour week. I quote what the minister said:

Furthermore, no decision was made by the government in regard to the general adoption of the five-day 40-hour week in the operating service of the Post Office Department until sometime in September 1953.

That was a full month after the general election. The minister continues:

The bill authorizing a readjustment of the rates for rural mail couriers did not become law until the 14th May, 1953.

But, Mr. Speaker, the budget was brought down in February; therefore the government could not possibly not have known these things were going to happen. If the minister did not know there were persistent demands for salary adjustments and for the five-day 40-hour week, he was the only person in the country who did not know, because it was in all the newspapers, it was a matter of great comment, there were public meetings, and certainly everybody else knew about it.

I would again emphasize the fact that the minister said the bill authorizing the readjustment of the rates for rural mail couriers did not come into effect until May 14. We all know a bill does not pass through this house in an hour, a day, or a week. Certainly I was a little curious on this score, and I looked up the order paper. I found that this bill was on the order paper on January 12 and that it was formally called on January 13.

An hon. Member: Which year?

Mrs. Fairclough: 1953. The bill was introduced on January 29 and it had third reading after the budget on March 31. The date on which it became law, or received royal assent, was May 14, the date quoted by the minister. If the minister seeks to imply by quoting that date that the government did not know about one of its own bills on the order paper, then I would say it seems to me to be a very curious implication indeed.

The minister stated these expenditures had not even been contemplated. But I submit, Mr. Speaker, that if they were not contemplated, and if the minister did not know they were likely to occur, then there was one thing he did know which the rest of the country did not know, and that was the date of the election.

Mr. Cote: I did not know that either.

Mrs. Fairclough: Then you must have done some tall guessing. Mr. Speaker, I feel that in spite of the language of the report which the Postmaster General favoured us with yesterday; in spite of his assertion all the way through that because of these statements, which he persists in calling facts, it has been proved that there should really be no opposition at all to the increase in postal rates, the minister has failed to prove his case.

The minister concluded his remarks with this statement, as reported at page 1769 of *Hansard*:

> I know the measure is not a popular one in some quarters, but it is at least honest . . .

I do not know how far one can go in this house, Mr. Speaker, in using words such as "honest, dishonest" and so forth. I have heard hon. members called to order for what seemed to me very minor infractions of the rules. I have heard them called to order for imputing motives, and I have heard a good many implications made in this house by hon. members who were not called to order. But that last paragraph really threw me. "This is an unpopular measure . . ." yes, ". . . but it is at least honest."

I submit, Mr. Speaker, there is no honesty in producing reports year by year which are now admittedly not correct, and which are now admitted to present an incorrect picture of the department's operations. I submit there is no honesty in saying you need $5,000,000 to implement a five-day 40-hour week and then turn around and say: "We do not know in what part of the country this will be put into effect." It is a wild guess at best to say that this department must have an increase in postal rates which will yield about $15,000,000 when there is an admitted need for only $13,500,000; to cancel stamps on cheques which yielded $7,500,000, in the light of a surplus in the department of $6,500,000, and then say "We did not anticipate any of these additional expenses."

The government and the minister must have fully anticipated these expenses, unless they were deaf, dumb and blind. I can see no honesty in such a course. To use this as an excuse that after all it was honest is surely the feeblest excuse of all.

In his closing remarks the minister said:

> I have also answered all the major criticisms, and many of the less pertinent comments of the opposition. I feel that this further constructive presentation shows without any doubt the soundness of the position of the government, and destroys alleged objections put forth by the opposition.

But, Mr. Speaker, he has not answered the criticisms, in my humble opinion. His presentation yesterday was far from constructive and certainly not objective, and none of the objections put forward by the opposition have been destroyed.

We were accused by the minister of sinning against some elementary principles. Let me say, Mr. Speaker, that if we have sinned in objecting to the increase in these rates I must confess we are unrepentant and will continue to object.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I think I should say a word on this bill, more especially since the hon. member for Rosetown-Biggar (Mr. Coldwell) has moved to give it the six months' hoist. Personally I agree with the hon. member's motion, and I would like to give one or two reasons why I do so.

First, the minister is asking this house for an added $13,500,000, which he claims is needed to bring about an approximate balance in his department. I believe that is the amount he mentioned. But it seems to me, Mr. Speaker, that if we are going to change the rates of taxation or the rates for carrying mail we should bear in mind the people who are going to pay these costs. When we put the full onus of that increase on the general public it is the same as adding additional taxes to the goods they have to purchase: When we add an increase in first-class mail rates it affects every human being in this dominion.

In my view the attempt to raise money in that fashion demonstrates that no thought whatsoever has been given to means of raising the money from those who can best afford to pay. The minister surely would not argue for a moment that those in the low income brackets, in the exceedingly low income brackets, can afford to pay any more than they are paying now. Yet under this bill the minister is going to do just that very thing.

It seems to me that he should have looked around for some other means to raise that money, if it were necessary; and I am not so sure that it is necessary. For instance, with regard to our second-class mail, we subsidize newspapers to the extent of $10 million every year. The amount used to be $12 million. Maybe that is necessary; but every evening when we open our papers we find that 75 per cent of it is advertising. Why should the people of Canada as a whole be expected to subsidize second-class mail when those who put their advertisements in the paper are, in fact, being subsidized? Why should we attempt to subsidize Eaton's, the Hudson's Bay Company, real estate firms and enterprises of that sort which take advantage of second-class mail which is subsidized by the public? Yet in the very same breath we

are adding a further increase in rates to these people in the low income brackets. The thing just does not add up.

The minister may be sympathetic—and I think probably he is—to these people in the low income brackets; but that is a mighty poor way to show your sympathy. What people are there in that class who can afford to use telegrams, long distance telephone calls and all that sort of thing to carry on their correspondence? No, they cannot do that at all. They must use the mail, and that is what it was intended for. I remember, back a few years ago, when the postage on letters was changed from 3 cents to 4 cents. That increase was put on as an emergency measure. We were told in this house that it was going to be a temporary thing and that, as soon as circumstances warranted it, that tax would be reduced again to the 3-cent level. Now we find that is not true. Instead of remaining at the 4-cent level, we find that it is going to be further increased. If the government is going to continue to make promises like that, the people will not have much faith in those promises.

Then I too must agree that the franking privileges to other departments of government should be modified. Like the hon. member who just spoke, I do not think I would be in favour of a complete cancellation of that service. However, it seems to me that the minister could so arrange his department that 95 per cent of that franking would be done away with; at least if it was charged up to the other departments, that would be of some assistance to the Post Office Department.

To say that raising this $13½ million in this fashion would put the Post Office Department on a financially sound basis is not true. The Post Office Department has never paid its way. The Department of Public Works has always made a major contribution to the Post Office Department. We are therefore not attempting to put the Post Office Department on a self-sustaining basis in this regard. If the department—and I use that word advisedly—is in need of $13½ million, it seems to me that it was the height of folly to take the stamps off cheques. When that repeal legislation was before us here, I remember that I spoke against it and used words to this effect. Let me take the bureau of statistics report, where they say that 75 per cent of the people of Canada earn less than $3,000 a year. How many people in that bracket, who earn $3,000 or $2,000 a year, spent much money on stamps for cheques? Not very many, I am afraid. Yet that source of revenue brought in about $7½ million. If the minister is really sincere in this thing—and I am not questioning his sincerity—

[Mr. Johnston (Bow River).]

Mr. Cote: Will my hon. friend permit me to ask a question?

Mr. Johnston (Bow River): Yes.

Mr. Cote: Does my hon. friend suggest that we re-establish the excise tax?

Mr. Johnston (Bow River): I was just going to come to that point. If the minister really needs that money that badly I would suggest that he reimpose that stamp tax on cheques. I think it would be much more equitable to do that than to expect the people in the lower income brackets to pay this added postage cost. I said, "If he really needs it". I am in doubt myself whether he does need it.

Since the minister asked me my personal views on the question of the stamp on cheques, let me give him my personal view with regard to the subsidizing of second-class mail. I do not think we should have to subsidize second-class mail, particularly newspapers, to the extent of $10 million a year. That is a tremendous subsidy, particularly when that subsidy is passed on from the newspapers to the other large business concerns I mentioned a moment ago. I think there is a good possibility there of obtaining some of this money which the minister says he needs, rather than obtaining it in the fashion he is attempting at this time.

At any rate, I personally am in favour of the motion moved by the hon. member for Rosetown-Biggar (Mr. Coldwell), to give the minister a little bit more time to think over this measure and to see if he cannot apply the tax in such a way that it will be more equitable. I must say that I will have to support the motion for the six months' hoist.

Mr. Speaker: It being five o'clock, the house will proceed to the consideration of private and public bills.

CURRENCY, MINT AND EXCHANGE FUND ACT

AMENDMENT TO PERMIT MINTING AND MARKETING OF GOLD COINS

Mr. Rodney Adamson (York West) moved the second reading of Bill No. 173, to amend the Currency, Mint and Exchange Fund Act.

He said: Mr. Speaker, I am delighted to see the Minister of Finance (Mr. Abbott) in his place and to welcome him back from Australia.

This act would, in fact, establish a free market for gold within Canada. It would establish a free market for gold in a country

which is not resorting to the evils of exchange control, currency restriction or any of the other trade-destroying measures that have been developed by money managers, in central governments and in the central banks since the war, and in many cases long before that. The bill sets out and describes a coin which is designated as to weight and fineness only. The fineness is 900 and the weight of pure gold contained in the coin is one troy ounce. It is similar in the amount of gold it contains to the gold coin now being minted by the firm of Rothschild and Company and put out under the name of the First Banking Corporation of Tangier. I say it is similar in weight of gold. It differs in fineness, the fineness of the Tangier coin being 916·7, which is rather greater. The coin would of course bear a Canadian insignia. The first point I wish to make, before I discuss some of my reasons for introducing the measure, is that today under our strange so-called free marketing of gold, which is certainly not free marketing in the true sense, Canadian gold from our largest single gold producer and all our base metal mines is shipped through some recognized broker to Paris or some other market, but chiefly Paris, I believe, where it is sold to somebody else. As a matter of fact I was informed that the few coins I was able to secure were actually Canadian gold shipped, refined and sold through the Rothschild organization.

It seems a great pity to me that Canadian gold should leave Canada in this form. If it were minted into a convenient coin, which I have endeavoured to describe, a great deal of it would remain in Canada. A great deal of it would be purchased by individuals and corporations, and under the terms of the bill it could be purchased by the Bank of Canada or any other designated agency, but they would have to bid for it on an open exchange. Therefore most of the gold at least would not be lost to Canada, as it is under our present marketing system.

I suggest that would be a great advantage. While I have inserted a clause in the bill whereby its importation or exportation shall be free, because I think that is essential in the establishment of any free market, nevertheless a great deal of it would remain here to be put to useful purposes rather than lost in the international sea. In addition, from what reports we have been able to obtain recently, the uses to which it is being put are inimical to the well-being of the western democracies. So much for the first point.

The second point, on which I wish to speak a little later at some length, has to do with how we would know what the price would be. That is exactly the point which I consider to be important. Would the price be greater or less than $35? Frequently, when I have made these suggestions, people have asked me whether, if the Americans withdrew their guarantee to purchase all gold at $35 an ounce, they would dump gold on the market and depress the price. The only answer I have to that is to ask whether, if an individual, a corporation or a nation has an asset for which it has paid a certain price, would it be willing, in order to depress the price of the asset it has bought, to dump it on the free markets of the world.

Would the United States government, for instance, in order to depress the price of zinc, lead or copper, initiate a program of dumping their stockpiles of these metals on the already jittery base metal markets? Surely an operation such as that cannot be contemplated by any reasonable individual. They have bought these stockpiles of zinc, copper and lead. Are they prepared to dump these metals on the markets in order to depress the price? In my opinion, despite the fact that the zinc, lead and copper were bought for strategic uses, they would be no more likely to dump their stockpiles of these metals than they would dump their stockpile of gold. First of all, they would be destroying a United States government asset. They would have paid $35 an ounce for so many million ounces of gold. If they dumped it at $30 an ounce there would be a net loss to the United States of so many dollars an ounce, the amount varying in proportion to the price under $35 at which the gold was sold.

Now, it is said that Russia has resorted to these tactics. All I can say to that, Mr. Speaker, is that although we have no accurate figures, Russia is probably the second largest gold producer in the world. Her gold production has been estimated—although I give no credence to these figures—at some $200 million per annum at $35 per ounce. Not only has Russia been a major producer of gold but she has been able, through conquest, to get the gold hoards in the national treasuries of the countries she has overrun, like Roumania, Czechoslovakia, Poland, the Baltic countries, and possibly others. It is quite likely, therefore, that Russia has a considerable hoard of gold.

Apparently the new Malenkov policy in Russia is to ease the lot of the long suffering people by making what are known as consumer goods and food a little more plentiful. In order to accomplish this, and because of the failure of her collective farms, she has had to buy large amounts of food outside her national boundaries. Apparently the only

medium of exchange was gold. A few years ago when gold was selling at $45 and $50 per ounce on the free market, I was surprised that Russia did not undertake the action she has taken today. I feel that the reason was internal Russian politics. I do know that for a time she was buying machinery of the most strategic sort in Switzerland. As a matter of fact, there was a delicate international situation in Europe because Russia was able to buy machine tools and other tools in France, Switzerland and elsewhere and, by devious means, get them back into Russia. I believe that has been largely stopped by international action by the western democracies.

So much for the fear that the United States will dump gold in order to destroy the $35 price. It is unrealistic, because in all my life I have never seen a Yankee who was prepared to throw away money he had spent in purchasing something. We come again to what the price would be on the free market. I suggest that the price is unimportant. It is not the price which is so important, but the stability of that price; and that is something which is extremely difficult to arrive at. The only true method by which a stable price can be arrived at is through open market transactions. If you peg the price of any commodity it leads either to surpluses or to chaotic market conditions. Shortly I propose to mention what the Randall commission said on that very point in the report released just a week ago.

We want the gold to perform a useful function. At the present time gold is taken from the producing mines in Canada under extremely difficult conditions. I ask hon. members what product could be sold today for 10 per cent less than in 1939 and have the industry producing that product still in existence. The fact that we have a gold industry is nothing short of a miracle. With the exception of three or four mines, the existence of the industry is entirely dependent upon the benevolence of the Emergency Gold Mining Assistance Act and the Canadian taxpayers.

I believe that is a most unfortunate situation. What the costs of the Emergency Gold Mining Assistance Act this year will be, I do not know. The strike situation has upset things, so we do not know how much it will cost, but it is assumed it will cost in the neighbourhood of $15 million. Now, the money of the taxpayers of Canada is just keeping the gold mining industry alive today. I believe it is money well spent, because if that industry ceased to exist for any reason a whole series of northern municipalities would also cease to exist and would become ghost towns; and in an expanding country like Canada, we cannot contemplate the closing down of our northern frontier. But the principle is wrong; the principle of bonusing any industry, to keep it in existence, is wrong. Neither I in this House of Commons nor, so far as I know, any of the major gold mines, or the gold industry as a whole, recommended this form of subsidy to keep the industry in existence, when the legislation was first introduced.

The mines that ship on the free market are prepared to do so without this subsidy. I have not consulted with or talked to any of my mining friends with regard to this proposed legislation, but if a free market could be established in Canada I feel sure that within a comparatively short space of time the money we are spending on the Emergency Gold Mining Assistance Act might be saved to the Canadian people. I admit that, compared with a gross national product valued at $25 billion, this $15 million is not a very great sum. But even $15 million is certainly not hay.

Consider the problem of marketing gold under the present situation. By no stretch of the imagination can this be called a free market, nor can it be so considered. What happens is that the mine, submitting bullion to a broker, says, "We have so much to submit". The broker asks at what price it is offered. It is not a bid-and-asked proposition as in normal stock exchange procedure. It is a one-way procedure; the mine takes it or leaves it; the price is set. The gold must be exported. It leaves the country, and the mine has no further say in its disposition once it passes into the hands of the broker.

I feel that this is delivering the mining industry into the hands of brokers, and I think that is a wrong procedure. It is bad in principle. I congratulate the government upon the fact that the mines may now sell fine gold without having to go through the ridiculous process of adulterating it and then having it re-refined when it hits the European market. It is marketed in countries the economies of which, to say the least, are not too stable.

A friend of mine asked me this question the other day. If you have a bearer bond or a Canada savings bond, which is a pretty good security, would you be very happy to have it in a safety deposit box in Paris or Tangier, or would you sooner have it in your own box at home? It seems to me that is a pretty good argument for the ownership of gold. If a corporation has a few thousand ounces of gold, where would they like to keep or to store it? Surely it would be in a country with a stable form of government

and with a stable economy. Surely they would like to store that gold either in Canada or the United States.

To preclude that is, I think, wrong. That is the question I put before the house in connection with the holding and ownership of gold. Gold held in a country whose economy is safe and stable is likely to be much more valuable than gold held in a country the economy of which is not safe, and whose future is anything but secure. It goes without saying that if one has a painting of one of the old masters he would sooner have it here in Canada than leave it in some country in which there might be a revolution at any time.

So I suggest it is reasonable to expect that if gold were sold within the confines of a country which, first of all, is not practising exchange control, and second is at peace and is geographically situated away from centres of strife and turmoil, a country possessing a buoyant economy and a stable form of government, it would increase in value.

So much for the price of gold. But, as I have said, the price is not the important thing. The important thing is, first of all, the usefulness to which that gold can be put and, second, the availability of the metal.

I have mentioned the Randall report. I have not read it in detail because it contains well over a hundred pages of closely written script. One of the points the Randall commission makes, to my mind one of the most important points, is the futility of trying to peg and to control the market price of any commodity. It takes issue, for instance, with the international wheat agreement. It takes issue with all schemes whereby an artificial price for a commodity is aimed at. With that I must say I am in entire agreement.

Any attempt to peg the price of copper, lead, zinc, aluminum, wheat, cotton or any commodity at a level above or below the world market price, that is the price you can get for it on the open market, is doomed to disaster. All such devices as the bill to restrict the importation of Canadian base metals into the United States, which fortunately has not been proceeded with, are doomed to failure. They may succeed for a time by the device of parity prices, by providing artificial price support; but by creating a high-level economy and a high-priced end product they can do nothing in the long run but destroy the world market for the particular product.

What is the harm in allowing people to own gold? What is wrong with it? First of all, gold is not like uranium. It is not fissionable. You cannot blow anything up with it. You cannot make a bomb of it. You cannot make a narcotic of it. You cannot smoke it. You cannot injure anybody with it. Why have we in Canada denied to our citizens the right to hold and own gold? Surely it can only be the restrictions of the international monetary fund.

I have spoken at length in this house about this organization, and I do not propose to repeat what I have said, except to say that it has now been proved beyond any peradventure of doubt that in its inception the international monetary fund was communist-inspired. Dexter White, Coe and at least—

Mr. Abbott: Lord Keynes, J. L. Ilsley, D. C. Abbott and a few other communists.

Mr. Adamson: Lord Keynes did not approve of it.

Mr. Abbott: I was a delegate at Bretton Woods.

Mr. Adamson: Lord Keynes certainly did not approve of the set-up of the international monetary fund.

Mr. Abbott: I was just questioning your communist-inspired allegation.

Mr. Adamson: Certainly all the people who formed the international monetary fund and its officers, or at least a large number of the original executive, were communists.

Mr. Abbott: Complete nonsense.

Mr. Adamson: What about Dexter White? What about Coe? They were proven to have been communists.

Mr. Abbott: And who else?

Mr. Blackmore: That is enough.

Mr. Adamson: There were four, but I have not their names in front of me.

Mr. Abbott: You had better have your facts before making these broad sweeping allegations.

Mr. Adamson: There were four who invoked the fifth amendment anyway. Let us look at what happened to the international monetary fund.

Mr. Abbott: Communist Graham Towers was there too.

Mr. Adamson: Has the operation of the international monetary fund assisted in the convertibility of currencies?

Mr. Abbott: Communist Walter Tucker was down at Bretton Woods.

Mr. Adamson: I am glad to know there were so many happy and foolish people down there. Has the international monetary

fund assisted in the convertibility of currencies? Are our currencies any more convertible today than they were at that time? Unfortunately the answer is no. Why? Because the rules set up by the fund made most difficult the convertibility of soft currencies, sterling currencies, into the so-called hard currencies.

What has been the reason? The reason has simply been that the soft currencies, which are designated as currencies which bear no relationship to gold, have been unable to be converted into hard currencies through the common denominator of gold. So no matter how the restrictions were framed they have proved of great disservice to us as a trading nation, and they have not assisted the trading of the world. This is simply because the price of gold was set and the ownership and holding of it by individuals was not allowed.

With gold, purchases can be made anywhere in the world. The Russians have proved that, the Swiss have proved that, and anyone who has travelled in the Levant in recent years knows that to be so. Through the operation of this fund we have virtually sterilized gold and made it not a useful commodity but merely a metal to be taken from one hole in the ground and put in another, there to remain inert. So much for what has happened with regard to the convertibility of currencies.

There are hard currencies, which theoretically have some relationship to gold, and there are soft currencies which apparently do not. In between them you have this great impasse, this great gulf of lack of convertibility simply because the problem, the correct equation and the proper use of gold, has not been solved.

My suggestions have met with considerable approval. The town of Timmins, for example, passed a resolution which I imagine was forwarded to the minister, in which they recommended the minting of gold coins. In that resolution they used an argument which I think is valid. The resolution states:

> While the government is not in a position to have the price of gold increased, it can increase its use.

The mayor of Timmins stated, and I think this also is a valid argument, that it was time gold was freed from the restrictions placed on it by the international monetary fund. Outside of uranium it was the only metal so treated, he said. What is the danger in increasing the use of gold in Canada? What harm can it do? Can it upset world trade? Surely if we have a free market for gold in Canada it becomes possible to pay those people who sell to us in gold. They can be paid in gold through devious channels today, but with a free market the transaction would be automatic and government agencies would not require to be consulted.

Another advantage is that people coming to Canada would be able to obtain gold for their ordinary business transactions, and it would also assist persons doing business with Canada. For example, people with insurance policies in a Canadian company would be offered the choice of having their claims met in gold at the daily rate for which gold was being offered.

I would now like to quote a paragraph from an article by an economist I believe in, Henry Hazlitt. In the fourth of his articles on this question he states, and I am quoting from the issue of *Newsweek* dated January 25, 1954:

> A full gold-coin standard is desirable because a gold-bullion standard is merely a rich man's standard. A relatively poor man should be just as able to protect himself against inflation, to the extent of his dollar holdings, as a rich man. The reason for returning to a full gold-coin standard in several stages is to prevent too sudden a drain on gold reserves before confidence has been re-established. A program like the foregoing would provide a faster schedule.

In the earlier part of his article he sets out a timetable for the return to a full gold standard; and a free gold market is the first stage.

Let us assume this market was established. The average individual, who is always forgotten today, would have the right to own gold coins, export them, import them, or do whatever he wished with them. Thus, if further inflation occurred he would be able, through the ownership of gold, to protect himself against it. That is a very important point, because obviously we are passing from the lush years of the seller's market into extremely combative years when our goods will have to be sold under conditions of the keenest competition. It may be that if the unemployment situation becomes acute this government, as well as the government of the United States, will have to resort to deficit financing. I hope it does not come to that, but I am certain it will if the unemployment situation grows.

Deficit financing by any other term means inflation. It means the government issues more money than it collects. Under such conditions the ownership of gold would protect the individual, particularly the poor man. The man of means, the man of wealth, can protect himself by the ownership of real estate, common stocks, or real property, but the man with a comparatively small income is denied such protection. In my opinion, Mr. Speaker, that is the essential fifth freedom

which we and all the democracies seem to have forgotten, namely the right of the individual to protect himself against the results of arbitrary action by the central government.

Such protection is imperative. Freedom of religion, freedom of trade, freedom of worship and the other freedoms are actually part of the total freedom, which is the economic freedom which can only be provided through the ownership of gold.

If we do not do something like this, if we continue our present policy, we shall be faced with the complete decay of the gold mining industry. We are faced with the loss of our gold into the hands of those who can use it for purposes which are inimical to our welfare. I am told that a considerable amount of the rioting and the assassinating which is taking place in the Arab countries has been financed by gold. That is hardly a use to which I should like to see Canadian gold put.

As I say, we leave our northern municipalities and our mining industry at the mercy of brokers who are not interested in the welfare of Canada. We thus lose a priceless asset. At the same time we continue, under the Emergency Gold Mining Assistance Act, the expenditure of some $15 million a year, money which could be saved. We have not approached any closer to the solution of the question of convertibility of currencies. Instead of being a useful adjunct to our economy, the gold is either used against us or is sterilized. Neither course is desirable.

I have spoken at some length on this question this afternoon, Mr. Speaker. I wished as far as possible to speak without notes or a prepared script because I wanted, if possible, to explain to the hon. members of this house why I feel that our present course not only is not assisting the industry or the northern municipalities, important as they are, but is not assisting Canada as a trading nation.

I cannot see any danger in allowing gold to be traded freely in Canada. I cannot see that the ownership of gold by Canadians can do anyone any harm. On the other hand I can see that, through the free ownership of gold, you are going to provide for many Canadians a form of security against further inflation, and are going to allow them to maintain, through the holding of gold, the ownership of a tangible, finite substance, something which throughout the centuries has maintained its value and commanded a price. It is not gold which has shrunk in price. It is not gold nor the gold standard which has failed. What has failed is the belief that those money managers in central governments and central banks can control world prices for products and for their currencies. This has never been done successfully, although it has been done at times over periods of years. However, it has always proved to be a disaster.

For this reason I would ask that this bill be given consideration. What harm does it do? Who does it help? Will it not assist in the convertibility of currencies? Will it not aid Canada as a great international trading nation? It is on this basis that I put forward this amendment to the Currency, Mint and Exchange Fund Act.

Mr. Macdonnell: I rise on a question of privilege, Mr. Speaker. While I have listened with great interest to the speech of my colleague and agree with much of it, I wish to say that I do not agree with his remark as to the communist origin of the international monetary fund.

Mr. Armand Dumas (Villeneuve): Mr. Speaker, having the responsibility of representing a constituency in which the gold mining industry is so important, I cannot keep silent on a matter such as that which has been brought to the attention of the house by the hon. member for York West (Mr. Adamson).

May I call it six o'clock, Mr. Speaker, and move the adjournment of the debate?

On motion of Mr. Dumas the debate was adjourned.

Mr. Speaker: As it is six o'clock, the house will revert at eight o'clock to 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.

POST OFFICE ACT

AMENDMENT TO INCREASE POSTAGE ON LETTERS AFTER APRIL 1, 1954

The house resumed consideration of the motion of Mr. Cote for the second reading of Bill No. 168, to amend the Post Office Act, and the amendment thereto of Mr. Coldwell.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I know it is an unpopular move for the government to bring forward legislation that, regardless of what form it may take, means an increase in our taxation. Therefore I suppose it is difficult for a member speaking on the government side to hope, as many of the opposition members do, to gain

some political kudos from the particular legislation under discussion. But for the past several days I have personally heard a good deal of political hypocrisy, if I may say that without being asked to withdraw. I feel that certain things have been brought forward in this debate that call for some answer.

Mr. Winch: Apparently the Conservatives are wiped out.

Mr. MacDougall: There are no Tories in the house.

Mr. Knowles: There are plenty, but they are on the Liberal side.

Mr. Byrne: I am not going to spend a great deal of time on the merits or demerits of the bill, but I do wish to say that from my point of view and that of many of my constituents the postal department is rendering excellent service. I know there have been a number of complaints where mail has gone astray—I hope, Mr. Speaker, that I will be allowed extra time because my speech is being interrupted by the applause for members who are entering the house. I realize that the applause is not intended for me. As I have said, there have been a number of complaints from time to time which have been cleared up.

For the last five years I have been in a position to gain some experience with respect to mail deliveries from the east to the west and from the west to the east. I have had considerable correspondence. As a matter of fact I corresponded with my family two, three or four times a week before bringing them here. Time after time I have received letters around noon of the day following the day on which they were posted, and may I say that they were not franked but had 4-cent stamps on them. They were posted in the little city of Kimberley in the interior of British Columbia, some 150 air miles from Calgary. Everyone knows the distance from Calgary to Ottawa and the transfers that are necessary before mail finally reaches the post office here. I think that is very good service.

On the other hand letters that were delayed and came by railway took two days longer, and on occasion three days, to reach here. Therefore air service is in many respects good and is not a luxury. In these days of air travel the Prime Minister (Mr. St. Laurent) could leave here yesterday afternoon, spend the night in Goose Bay and arrive in England this afternoon, but even when such things can be accomplished in this air age we have members of the opposition stand up and tell us that air mail service is a luxury.

I said the other day that the Conservative party needed a shot in the arm, and I believe that is the truest statement I have made in in the house for some time. It would seem that when the Leader of the Opposition (Mr. Drew) runs short of a sound argument in the next few years he is going to seek to intimidate members of the Liberal party because they voted for an absolutely justifiable increase in their remuneration.

Mr. Speaker: Order.

Mr. Byrne: He is not going to intimidate me, although he did intimidate a goodly number of his supporters. The hon. member from the adjoining riding of Kamloops (Mr. Fulton) suggested last night that I should rise in my place and make a speech like he was making. I want to say to hon. members that I would be somewhat ashamed to stand up in the house and make a speech like he made. I am not going to read a great deal of what he had to say, but from the substance of it you would imagine that the hon. member for Kamloops represented a bunch of hillbillies with no interest whatever in the outside world. At page 1791 of *Hansard* of yesterday he stated:

> . . . I would think that those people would be quite willing to continue to pay the extra three cents so that the people of my riding would not be subjected to the necessity of paying an extra cent on every one of their letters in order to get them delivered—and not by air mail . . .

I wonder if the people of the riding of Kamloops are so parochial that they do not make the same use of air service for their mail as do the people of Kootenay East. I have no actual figures, but I would not be afraid to state categorically that 90 per cent of the mail sent through the post offices in my riding is for delivery outside of the riding to the prairie provinces, eastern Canada, Newfoundland, Victoria and many other places. In some cases the mail is on the airplane within ten or twenty minutes after it has been delivered to the post office. While there is a good deal of communication by mail within the municipality and the surrounding area, I am sure that a large number of people are going to benefit a great deal from the fact that all mail will be carried by air when a 5-cent stamp is placed upon it.

I said when I rose that a number of things have been said that I feel need to be answered. The hon. member for New Westminster (Mr. Hahn) referred yesterday to the speech made by the hon. member for Winnipeg North (Mr. Stewart) who implied that patronage was rampant in the postal service.

Mr. Stewart (Winnipeg North): I did not imply it. I said it.

Mr. Byrne: The hon. member says that he said it. I say the hon. member should prove such a statement.

Mr. Stewart (Winnipeg North): The proof is on the record. The names are on the record.

Mr. Noseworthy: It is proved.

Mr. Byrne: He did say that a certain person was asked to pay $500 to keep a sub-post office. If I wanted to get someone to take over a sub-post office in my riding I would have to pay him $500, and there would be no political patronage in it. The amount of money made by a person who looks after a sub-post office is so infinitesimal that it does not amount to a hill of beans. I would say that if we did have a candidate who was so silly as to suppose such a thing, possibly he should have had his head read instead of becoming a candidate. That is stuff and nonsense.

The hon. member for New Westminster (Mr. Hahn) went even further with some nonsense that I know is not true. The hon. member now represents a riding which was formerly represented by a very close friend of mine. I was personally acquainted with him for four years, and I know him to be honest, upright, and one of the finest gentlemen ever to come from British Columbia. Long before "Bible-Billism" ever hit that province, we did send hon. gentlemen down here.

Mr. Speaker: Order. The hon. member completed his remarks by saying that we did send gentlemen down here. This might be an implication that the member who is now representing this riding, and who is the successor of the one to whom he referred as being a gentleman, might not be of the same calibre. I know he does not want to leave that implication. While I am on my feet I might say that it would be more interesting if we were listening to speeches related to the principle of the bill.

I know that last evening a little story was told about patronage, and it was being told at a time when perhaps my attention was not being directed to the speech. The hon. member has made a rebuttal to that story, I imagine, and I believe he should come back to the principle of the bill.

Mr. Byrne: I did not imply that British Columbia would not continue to send gentlemen here. If the hon. member feels that anything I have said calls for a withdrawal, I am only too pleased to do so. It may be true that this debate has, from time to time, strayed from the principle of the bill; but I think it should be recalled that I am the first member from British Columbia who has attempted to show the inaccuracies in statements that have been made by some hon. members. In this particular instance the riding of an hon. member, and by implication the member himself, in my opinion have been left in a bad light. I seek the indulgence of the house to put the record straight. At page 1787 of *Hansard* for February 4, 1954, the hon. member said:

> Another instance that I have in mind has to do with the post office that serves my own community.

The hon. member was seeking to show that patronage is costing such a great deal that it would not be necessary to raise postal rates if we were not paying too much for buildings and so forth. Here the implication is that we are paying too much rent for a building. I continue the quotation:

> Some three or four years ago we had occasion to require a larger postal outlet. The people in the community knew nothing about the post office until it practically became a reality. The fact is it was only through representation on my part, and from one or two other prominent citizens, that they took it from a proposed building—

—and so on.

Then he goes on to say:

> I would say that the rents for a building such as that were excessive. When you have to pay about $5,000 a year for a post office building which is only 120 feet long and 60 feet wide, I would say you are paying too much, especially in a rural area.

The hon. member did not make it very clear which building he meant, but he did say it was the one serving his community. The hon. member has a store in this community which is some 200 or 300 feet from the postal outlet, so undoubtedly he has reference to the particular building I have in mind. The implication is made, of course as he said earlier, to substantiate the statement of the hon. member for Winnipeg North (Mr. Stewart), when he referred to political patronage. At page 1786 of *Hansard* the hon. member used these words:

> I for one feel that the hon. member for Winnipeg North (Mr. Stewart) was certainly right on the beam when he said that. We find it apparent everywhere. We need only go to our own particular ridings and examine some of the incidents and we shall find probably no end of them.

I am just examining the one instance, the charge that an excessive rental was paid for postal accommodation. It just happened that I was not in the house while the hon. member was speaking. I read *Hansard* and recalled having discussed this very matter with the former member for New Westminster. I thought I had some idea of what was taking place, so I checked and got the facts. The hon. member says that no one knew anything about it. If they did not it was because they did not read. This contract was let by tender in the normal way.

There were two tenders, and the successful tender was submitted by Mr. Thomas Binnie, in the amount of $5,964. This is $964 more than the hon. member mentioned in his statement, but in view of the fact so many of his facts are incorrect I think we can overlook that. The unsuccessful tender was submitted by a Mr. George S. Viel.

When the two tenders were received the Post Office Department asked for a report from the district field inspector. The contract was subsequently awarded to Mr. Thomas Binnie for substantial reasons which did not in any way indicate patronage.

An hon. Member: What were the reasons?

Mr. Byrne: The hon. member has asked for them, and I shall give them.

Mr. Noseworthy: Which was the Liberal?

Mr. Byrne: It is just that type of innuendo, Mr. Speaker, that brought the hon. member's party to power in British Columbia, and it will take them out. The reason Mr. Binnie received the contract was that Mr. Viel asked for $815 per month which amounted to $9,780, a substantial increase over the $5,964. I just bring this matter to the attention of the house and of hon. members opposite to indicate that, in my opinion, when they seek to intimidate members on this side of the house they should be more certain of their facts.

Mr. Stanley Knowles (Winnipeg North Centre): It has already been made crystal clear from this side of the house, Mr. Speaker, that we are opposed to the increase in postage rates involved in the bill which has been brought in by the Postmaster General (Mr. Cote). I shall, therefore, take only a moment or two to deal directly with that point. However, there is a particular aspect of this matter about which I want to say something further.

With regard to the increase in the postage rate itself, I feel that the government has not played fair with the Canadian people. In that respect I feel that the blame should be levelled not so much at the Postmaster General personally as at the government. I think perhaps he has had to take rather too much of the blame for this on behalf of the government as a whole.

The first of the two main ways in which the government has not played fair with the Canadian people is its action in taking off a tax just before the election and putting it on again just after the election, under another name. The second way in which I feel the government is not playing fair with the people of the country has to do with the fact that nothing is being said on the government side of the house in reply to the many speeches from this side in which reference has been made to the losses being sustained by the post office in respect of periodicals and magazines. I refer in particular to those which carry huge amounts of advertising, which means that the Post Office Department is subsidizing periodicals, newspapers and magazines that are making a considerable revenue out of that advertising. These publications are carried at a tremendous loss to the post office, so far as postage is concerned.

I give the Postmaster General (Mr. Cote) credit for attempting to answer—though I do not feel he has answered satisfactorily—a number of the arguments put forward from this side of the house. Unless something has happened that has escaped my observation, I have not yet heard him deal with this question, to which I have now once more drawn attention. If my study of the matter has served me correctly, the deficit which the Postmaster General says must be met could be made up if magazines, periodicals and newspapers were made to pay their share of what it costs the Post Office Department to transmit this material. And the hon. member for Vancouver East (Mr. Winch) reminds me, from the back of the chamber, that if that were done there would be, in relation to the deficit the Postmaster General is now talking about, a surplus of $2,500,000.

So I submit that this is more than just a protest in the name of the Canadian people against a one-cent increase in postage rates. Naturally people do not like increases in taxes of any kind. Protest against an increase would be natural in any case. But I feel this is something more; it is a case of the government not playing fair with the people of Canada in respect of this matter. And I think it is quite appropriate that my leader has moved that the bill be given the six months' hoist. That is what this parliament should do with it, hoist it out of the House of Commons altogether.

The bill was introduced by the Postmaster General with a speech in which he said specifically that one of its purposes is to make up for the cost of the five-day 40-hour week, which is to be implemented on April 1. We have heard that statement on at least three occasions from the Postmaster General. We had it when he introduced the resolution preceding the bill; we had it again when he moved second reading, and we also had it from another minister on December 8, 1953, when the Minister of Finance (Mr. Abbott) announced that in due course there would be this bill increasing the rates of postage.

On each of those occasions reference has been made to the fact that one of the reasons for the bill is the need to raise $5 million, the cost of implementing the five-day 40-hour week. For a while I took it as a matter of course that it would take some time for the government to work out the details in connection with the implementation of the five-day 40-hour week. For a while I kept my suspicious nature under control; but as time goes on I am finding that more difficult.

It is now nearly two months since, on December 8, 1953, as recorded at pages 692 and 693 of *Hansard*, the Minister of Finance told me he hoped that very shortly there would be made public a list of the localities in which the post office staffs would go on the five-day 40-hour week on April 1. I had hoped that that list would be published very shortly. Maybe my definition of "shortly" varies from that of the minister; but at any rate on January 14, 1954, as recorded at page 1139 of *Hansard* I asked the Postmaster General if that list was yet ready, and he had to tell me that it was not.

I waited a little while longer. Yesterday, February 4, 1954, as recorded at page 1762 of *Hansard*, I asked again if we might soon have information particularly with respect to the manipulative staffs working in the post office at Winnipeg. Again I was told that this information was not yet available.

Well, today, as Your Honour will recall, I asked the question again, this time putting it to the Secretary of State (Mr. Pickersgill), the minister responsible to parliament for the civil service commission. I happen to know that others have been trying to ascertain from the civil service commission whether or not certain cities, certain communities in the country, are to be included in the five-day 40-hour week arrangement. Up to the present time we have been unable to get any information in answer to that question, except the one bit of information which the Minister of Finance was able to give this afternoon when I raised the question of privilege. The information he gave to the house was something like this, that if the member for Winnipeg North Centre was concerned about his city, he could be assured that Winnipeg would be included.

Well, it will be a matter of some relief to the post office employees in Winnipeg to know that their case is covered. But it seems to me that it is not fair to the house as a whole not to give us the complete information as to the extent to which the five-day 40-hour week is to be implemented. We have been led to believe that it is the civil service commission which works out these matters. We found out this afternoon from the Minister of Finance that the personnel side of treasury board is working on it as well. But no one knows what the list of communities is.

This afternoon, however, the Minister of Finance was able to assure me that Winnipeg is on the list. Well, either he is jumping the gun, or he knows the communities that are on that list; and if he does, then I submit that before the house is asked to give second reading to the bill we should have that information. It is not fair to ask us in advance of that information to pass a bill which would provide money for that purpose. What position are we going to be in after the bill is passed by the house—if it is passed—if we find that the implementation of the five-day 40-hour week does not measure up to what we thought would be the case, with the proposed expenditure of $5 million?

I want to know what the situation is in some other cities. Is it going to be extended to Regina and Saskatoon? What about a large city like Montreal? Is the five-day week already sufficiently established in that city that one could be assured post office staffs there will be included; or are we going to have the experience, after this goes through and after the postal rate has been increased for this, among other purposes, of learning that a city like Montreal is not included?

I suppose members from every city in the country could rise on questions of privilege, as I did this afternoon, and worm information out of the Minister of Finance. But surely that is not the proper way to do it. As a member from Winnipeg I was glad to get that information this afternoon for the employees in my city. But I submit it is not fair to the house as a whole to ask us to go on without having complete information.

Just when the debate on second reading will be concluded, I do not know. Certainly there is no possibility of the matter being finally concluded tonight, so far as third reading is concerned, because it would require unanimous consent to go to third reading tonight. In other words I think it should be clear that since there is further time beyond today the government should play fair with the house, even if it is not playing fair with the Canadian people in the matter of raising these postal rates, by seeing to it that this list of communities and localities where the five-day 40-hour week is to go into effect is before this house before we go any further.

From what the minister said this afternoon we know that Winnipeg is one community that is on the list. That is fine, but

let us have the entire list before we go any further. It is two months since the Minister of Finance (Mr. Abbott) said the list would be ready very shortly. I hope the period regarded as "very shortly" has now gone by, even when considered in the minister's terms.

Some of us do not accept the proposition that there is necessarily a connection between the cost of the five-day 40-hour week and the postal rates. Other civil servants have been given the five-day 40-hour week without the Canadian people having imposed upon them a special tax for that purpose. But the government has taken the position that there is a connection in this case. All right; if from the government's viewpoint there is a connection, then I submit we are entitled to full information on that point before we go any further with this obnoxious legislation.

Mr. F. E. Lennard (Wentworth): Mr. Speaker, in rising for a moment to oppose this increase to five cents in the postal rate for first-class mail I wish to say that I do so because of the many protests I have received from my own riding.

The Postmaster General has said that this is the only way in which the increased costs of the department can be met. Postal delivery is a service which the taxpaying public has a right to expect the government to provide, and that public does not necessarily expect that the department which provides this service shall be self-sustaining. Quite apart from being self-sustaining, in the past few years it has been profit-producing.

I presume that those profits have gone into the general revenues of the government and have been used for other services which the government provides for the people of this country. Therefore I see no reason at all why the government should be in such a rush to offset any possibility of loss in the department by increasing rates before they have found out whether or not they are going to need the extra revenue.

Certainly the government does not take this attitude with regard to Canadian National Railways. Most certainly it does not take this attitude in connection with Trans-Canada Air Lines, and certainly not with regard to the Canadian Broadcasting Corporation. As a matter of fact, so far as T.C.A. is concerned the Post Office Department was called upon to accept a rather heavy charge for first-class mail, which might very well be described as a subsidy to T.C.A. which prior to that time had not been doing so well financially.

Over a period of ten years the surpluses of the Post Office Department amounted to $70,193,330.54 and for the preceding ten years the surpluses were $22,969,606.69, making a total of more than $90 million of a surplus in the last 20 years in the operations of this department. And this was at the lower stamp rates which were in effect during that period of time.

I know from correspondence which I have had with different groups in my riding that this increase certainly is not popular. Personally I simply cannot understand why this government is advancing the rate to five cents on first-class mail. To me the raising of the rate to five cents from the three-cent rate which prevailed before the war—and at the present time it is only three cents in the United States—simply does not make sense.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, during the course of this debate we have heard a great deal about the advantages the new air mail service which is to come with the proposed increased rates will bring to parts of Canada such as the Yukon, Newfoundland and elsewhere. But it seems to me that the question should be raised here as to what advantages are going to accrue to some of the older parts of Canada.

In Ontario and Quebec there are a great many people living on the sideroads in rural areas. These people live on farms which have been well established and settled for many generations. In some cases they still have to go half a mile or a mile to get their mail during the winter.

Since the end of the war there has been a great influx of immigrants and a considerable increase in our population. Many new subdivisions have been developed outside of a number of our medium-sized cities. This condition is to be found throughout western Ontario. As I say, these subdivisions in many cases are not within the city limits and therefore do not receive daily mail delivery. Quite often you will find 20 or 30 houses on a sideroad with 20 or 30 mail boxes down at the end of that road. Those people have to go down to collect their mail, sometimes having to travel half a mile or so.

I cannot see how the new postal rates are going to bring any great advantage to those people. It is alleged that the people who use the service should pay for it. These people will be using first-class mail, yet they will gain no advantages from the increased rates, while the people in some of the newer parts of Canada will gain considerable advantage. That does not seem to me to be reasonable.

During this debate we have had a multiplicity of figures given as to why there should or should not be an increase in the postal rates. The minister has given some figures,

as have hon. members of the opposition. From the reports which we have it would appear that in each of the years 1951, 1952 and 1953 the Post Office Department had a surplus of about $6 million. The minister has estimated that there will be a loss of around $7,500,000 this year because of the elimination of the stamps on cheques.

The Woods-Gordon report recommends many savings that could be effected within the department if certain economies were put into effect. The hon. member for Vancouver East (Mr. Winch) has suggested that the people who are going to pay this increased first-class rate are going to pay more than their share. We all know that from an accounting point of view it is quite possible to adopt various viewpoints. For instance, we all know that it is perfectly proper accounting practice to value fixed assets in different ways, to allocate costs in different ways and so on. I mention that in passing merely to show that often it is quite possible to show a profit or to show a loss if one so desires.

It would seem that the minister is not too sure what are the receipts and expenditures of the Post Office Department. For instance, last spring the minister's predecessor apparently felt the revenue was sufficient so that the tax on cheques was no longer necessary, and that tax was accordingly removed.

This fall we have the situation that the hon. minister has changed his mind again, and it is necessary now to increase postal rates to make up the deficit. Surely between last spring and last fall the figures of estimates and expenditures would have been available to the minister. If not, then it is quite possible on that basis that by the coming spring we will have no need to increase the rates at all.

In view of the fact that last spring the department took off a tax because it was not considered necessary, and then this fall it put on another tax because a certain amount of revenue is now considered necessary, and in view of other figures we have had presented from all sides of the house, which are most confusing, it would seem to me, Mr. Speaker, that the correct thing to do would be to wait and see. It may be that by the end of this year it will not be necessary to raise the postal rates. In fact it would seem, from all we have heard, that it would be entirely unnecessary to raise the rates. In any event, should there be a deficit at the end of this year the minister could always bring in this bill again and increase the rates next year if necessary.

As the hon. member for Vancouver East (Mr. Winch) pointed out earlier today, the removal of the stamp tax on cheques certainly benefited large businesses, and there is no doubt that the increase in the postage rate will certainly affect those with small incomes who cannot deduct such charges as expenses.

In closing these brief remarks, Mr. Speaker, I think I should emphasize once again that the policy of wait and see should be adopted at the present time and this tax introduced at a later date when it is proved to be necessary.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, although there have been some very critical remarks regarding the postal service, I believe it is remarkable that we have as good a postal service as we now enjoy when we consider some of the handicaps which have been mentioned during this debate.

Last night I received a letter from an 86-year-old friend of mine which was posted in Edmonton at 7.30 p.m. on February 3. By 7.00 p.m. Edmonton time on the 4th of February it was on my desk. The writer of this letter settled in Saskatchewan 50 years ago. It is quite remarkable that during his lifetime he should be in a position to post a letter in Edmonton one day and have it delivered here in Ottawa in less than 24 hours.

Having said that, however, I must say that I am supporting the amendment moved by the leader of this group. I want to emphasize what has been said by several members on this side of the house, namely that first-class mail is being operated, according to figures issued a year ago, at a profit of $20,700,000, and on the other hand second-class mail for some years has been losing 13½ cents out of every dollar, or a total loss of $16 million.

When one considers that that subsidy has been a factor in building up some of the immense fortunes made in the newspaper field I believe the government is not really being fair with the Canadian people in leaving the rates on that class of mail unchanged. In this connection, and to demonstrate my point, I need only mention the Thomson syndicate which operates not only in Canada but which recently bought the *Scotsman* in Edinburgh for several million dollars last year; the Southam group; the Toronto *Star*; the Toronto *Globe and Mail;* the Sifton group; and the hon. member of the Senate who died recently leaving $1,750,000. I do not know how much of that was made in the newspaper business, but he certainly did not lose anything in that field.

When these large fortunes have been made partly through the advantage accruing from the very low cost of second-class mail, I think the government has no right to place this tax on the Canadian people by increasing the letter rate by one cent.

Post Office Act

The next point I want to deal with, and it has not been dealt with adequately, is the action of Liberal candidates in dragging the affairs of the Post Office Department into politics. I received a letter from a Mr. John Fletcher of Kelvington and in this letter dated January 12, 1954 he enclosed a clipping from a local newspaper. That report states there is an item in the estimates of $110,000 for a new post office building at Kelvington.

Permit me to recapitulate. During the recent election campaign Mr. Ferrie, who represented the Mackenzie constituency in the last parliament, was able to ask, "What did Nicholson bring back to this constituency? I have brought back two post offices, one at Kelvington and one at Carrot River".

I bear Mr. Ferrie no ill will whatsoever. Indeed, I am greatly indebted to him for having given me a chance to relax for a few years. When you have been here eight or nine years you really should have a change. However, I was at one of Mr. Ferrie's meetings at a time when he mentioned that he was able to bring a post office to Kelvington, and one to Carrot River. I think hon. members will agree that no hon. member, regardless of party, should seek support on the basis that he decides where post offices should be built.

When this report appeared in the Kelvington paper to the effect that there was to be an item of $110,000 in the estimates this year, I was somewhat disturbed. In his letter to me Mr. Fletcher stated:

> The enclosed notice was in last week's Kelvington *Radio*. I was in to the editor's place yesterday renewing my paper and he showed me the letter he had received with this notice. It was on House of Commons stationery and signed by G. M. Ferrie and had no postage. Besides the insult to you of sending the notification by the defeated member he is still using the franking privileges of a member . . .

Mr. Speaker: Order. The hon. member, I think, is stepping into a field which is extraneous to the matter now before the house. There was reference made earlier on both sides of the house to this matter, but I think we ought not to continue bringing into this debate matters which are related to political patronage. To a person who would come into the house, not knowing what was before the house, it would appear that we are dealing with the first item of the estimates of the Postmaster General.

Mr. Nicholson: Mr. Speaker, if it were not for the fact that a defeated member of this parliament gave information which appears in today's estimates, before hon. members had access to that information—

Mr. Speaker: Order. That has nothing to do with the increase in postal rates contemplated by this bill. I would ask the hon. member—I would plead with him—not to argue any more with me, because I feel I have stated the position correctly and he should accept my ruling.

Mr. Nicholson: Mr. Speaker, in view of the fact that I mentioned this letter I think I should explain that I learned the editor of the paper, receiving this—

Some hon. Members: Order.

Mr. Nicholson: Mr. Speaker, I think—

Some hon. Members: Order.

Mr. Speaker: I am listening to the hon. member.

Mr. Nicholson: In view of the fact that I said the letter was sent by a defeated member of parliament without a postage stamp I think I should be permitted to explain.

Mr. Speaker: I just want to know if the hon. member refers to an abuse of franking privileges. If so, this is not the time to bring the matter up.

Mr. Nicholson: I think if the post office department uses the services of a defeated member of parliament, who in turn sends his mail without postage, that certainly is a matter of concern and should be considered before we approve any increase in postage rates. I think I should be permitted to say that the editor of the paper had been given this advance information. I am saying—and I think I should be permitted to say—that this letter no doubt went through the post office, with Mr. Ferrie's information that there was to be a post office at Kelvington, without anybody willingly making a mistake. In the light of the fact that we have a staff in the Post Office Department who are capable of making decisions we should not have information, which today comes to us officially through the estimates, sent out in January. I believe the minister should explain why it is necessary to use the services of Mr. Ferrie to get—

Mr. Speaker: Order. I think I have been fair with the hon. member.

Mr. Cote: He has said—

Mr. Speaker: I do not think the minister should give a rebuttal at this moment. I believe the hon. member has had ample opportunity to present his argument that mail franking privileges should not be given to people who are not supposed to use them, and therefore the department would save thereby.

That has been his point. I have listened to him very patiently. I hope that he is now through with it.

Mr. Nicholson: Mr. Speaker, I am through with that point, but I should like to have had the privilege of telling how expensive it is to have the inspectors—

Mr. Cote: You do not even have the envelope.

Mr. Nicholson: That is what I said. I am letting that matter go. I am not pressing it at all.

Mr. Cote: You are better with the bouquets.

Mr. Nicholson: No. I suggest that you should not have to clear through Mr. Ferrie, who in turn has to clear through—

Mr. Speaker: Order.

Mr. Cote: I think my hon. friend is now slipping a little bit too much, and that he should be brought back on the right track.

Mr. Nicholson: I was going to refer to a case here—I have here sessional paper 159—to explain what the procedure is in connection with these post office matters in my constituency. For example, when a postmaster was short on April 16—

Mr. Speaker: No. The hon. member must be reasonable. If he intends to discuss the principle of this bill by bringing in all kinds of little cases affecting the operations of the Post Office Department generally, I would advise him to wait until the estimates or some other measures giving him an opportunity to discuss these questions are before the house, but not to do so at the moment.

Mr. Nicholson: Thank you, Mr. Speaker; I shall conclude. I do think there is a point that the minister should accept. When the minister has in his department men who have had experience for so many years, he should not have to depend upon the judgment of a defeated member of parliament.

Mr. Cote: We do not.

Mr. Speaker: Is the house ready for the question?

Mr. Hahn: Mr. Speaker, I am not sure that I am completely in order in replying to the hon. member for Kootenay East (Mr. Byrne) in answer to the charges he laid in respect to the post office question, but I should like to answer him at this moment if I may do so.

Mr. Speaker: I do not want my ruling at this moment to be detrimental to the interests of the hon. member, but my suggestion to him is to wait for a better opportunity. He was out of order in bringing up patronage matters earlier. My leniency toward him caused me to be lenient toward the hon. member for Kootenay East, who was also out of order when he replied to the hon. member.

May I ask him to delay this argument about the allocation of contracts or post office matters in New Westminster for another time. The estimates of the department will come before the house, and that is the time when these matters are discussed. The hon. gentleman will understand that if I allow him to give a rebuttal now, as the hon. member for Kootenay East has spoken to the amendment and has not spoken to second reading, when the amendment is disposed of he may decide to discuss this matter again. Then if another amendment to the main motion is moved later, the hon. gentleman will come back again and we will be discussing not the increase in the postal rates but the problem to which the hon. gentleman has referred having to do with post office patronage in New Westminster.

I think the hon. member might agree with me. What I am asking him to do is to postpone his remarks for another occasion.

Mr. Hahn: Mr. Speaker, I do not wish to appear to be out of order, but I do not like the reflection which the hon. gentleman cast upon my riding. I shall answer that reflection at a later date.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, there can be no doubt that public opinion is increasing against the proposal of the minister to increase postal rates. I think he has had a verbal licking in the house here. When he brings in the 5-cent postage stamp I hope he will put plenty of glue on it so it will stick to the letters, because the arguments advanced in this house certainly are not convincing as to the justification for the increase which he proposes.

I would say that the evidence or rather the figures we have before us, and the reasons given by the Postmaster General for this needed increase, certainly do not conform to the principle he himself laid down. As reported at page 1102 of *Hansard,* at the conclusion of his remarks at the introduction of his resolution, he said:

> I believe everyone will also agree that the most equitable arrangement is for the cost of service to be borne by the users, and this is exactly the object of the present resolution.

I maintain that the increase in postage rates on first-class mail at this time will not be effective in that way, because people who wish to use ordinary first-class mail do not

want to have to subsidize second-class mail such as periodicals and newspapers, and are very resentful over this action on the part of the government, which just prior to the election removed the excise stamp from cheques and now are imposing a new tax upon the Canadian people.

I particularly want to register my protest against this increase in postage rates for the simple reason that many of us are quite resentful of the fact that we are paying for or are subsidizing second-class mail such as periodicals, which carry a great deal of advertising matter and certainly no essential information to our people. I agree that in this country our newspapers and periodicals perform a very useful service in distributing knowledge and information to our people; but I went down to the reading room here and looked through some of the periodicals which enjoy the privilege of being subsidized by our Canadian taxpayers. In one magazine I found that there were no less than 32 full pages of liquor advertisements. That magazine enjoys a subsidy from the Canadian taxpayers.

I do not believe that situation is fair or just to our Canadian taxpayers. Furthermore, I should like to bring to the minister's attention the fact that when we find some places, particularly in our rural areas, where services are being cut, it does not seem opportune for the minister to introduce this increase in postage rates.

I should like to bring to his attention a matter in my own constituency, where we have just recently had a curtailment of mail service. I refer specifically to the case of the C.P.R. Reston-Wolseley line, where we formerly had the services of a mail clerk. Recently I had a letter from a constituent who, incidentally, was one of the key Liberal supporters and organizers in that constituency. He told me that I could refer the full contents of his letter and the postscript to any authority in the post office branch that I cared to, and he indicated in the letter that the mail clerk has been taken off that route which entails a cut in mail service on the Reston-Wolseley line. There are points where mail is delayed to the extent of a week.

Therefore I want to join with those who support the action of the leader of the C.C.F. party in moving the six months' hoist, which will have the effect that the bill will not come up again this session. I think it is even in the interests of the government and in the interests of justice and fairness to all concerned that the government should reconsider this measure before trying to force it through the house.

[Mr. McCullough (Moose Mountain).]

Mr. Claude Ellis (Regina City): Mr. Speaker, before the vote is taken I should like to say a few words. At the resolution stage I did not make any contribution to the debate other than to ask a question of the Postmaster General. I asked him to explain an apparent inconsistency in the entire government argument for an increase in postal rates. In the minister's statement the other day he completely ignored what I believe to be the fundamental question involved in the entire bill which seeks to increase postal rates. At page 1764 of *Hansard* for yesterday the minister said:

> As I said in the debate on the resolution, if we adopt the principle that postal revenue need not meet expenditures but that the revenues of the department should be supplemented by tax money, then we should have a truly subsidized service.

The implication there is that at the present time we do not have a subsidized service. The implication is that at the present time the post office is paying its way, but that the establishment of a subsidized system is going to come about if we do not increase the postal rates. Many hon. members have pointed out to the minister that at the present time when a man places a 4-cent stamp on a letter, that stamp not only pays for all the services which the sender of the letter receives but does more. Up until this year—perhaps it might also happen next year; we do not know—it has taken care of the deficit on second-class mail service, and it provided the post office with a surplus of over $6 million last year.

If the minister is logical in his assertion that the post office must pay its own way, then I say that the person who places a 4-cent stamp on a letter today is paying for the service he receives. As a matter of fact a 3-cent stamp today would be a fair charge to the sender for the carrying of his letter. Now the government proposes to increase the rate to five cents, and as yet the minister has failed to explain this inconsistency. If the Post Office Department is going to be required to pay its operating expenses out of its revenues, then I want to ask the minister to explain to the house how he can justify the continuance of the subsidy on second-class mail.

The minister has not mentioned a word about the subsidy. It is accepted; it is not even questioned by the government. It is going to continue, and the senders of first-class mail who now pay three or four cents on their letters are going to be required to pay four or five cents. In other words they are now going to be asked to bear an additional burden in order to maintain a subsidy on second-class mail.

It seems to me that this is the crux of the whole matter, notwithstanding all the reasons that have been advanced for the increase in postal rates. Certain members to my right have suggested that there is a subsidy to Trans-Canada Air Lines. I was interested in reading an editorial in the Toronto *Star* of February 2 headed "Air Mail Cheapest by T.C.A." The editorial points out that the T.C.A. tariff for carrying air mail is $1.39 per ton mile, that the tariff charged by the private air lines, the largest of which is Canadian Pacific, averages $3.06 per ton mile, and that the lowest tariff charged by a private air line in this country is $2.79 per ton mile. In other words, T.C.A. is carrying mail at less than half the cost that is being paid by the Post Office Department for the transportation of mail by private carriers.

I have heard at least two or three members make reference to a subsidy to Trans-Canada Air Lines, but I notice they are never much concerned about subsidies to private air lines. All the reasons that have been advanced skirt the main issue, which must of course be the question of what is going to be done about second-class mail. In the statement made by the minister when he introduced the bill and in the statement he made yesterday he completely ignored the question of second-class mail. Before we are called upon to vote on this matter we should have a statement from the minister explaining how he can justify the position the government is taking, that the Post Office Department must meet its current expenses out of revenues, in view of the continued existence of the subsidy on second-class mail.

There is one other point I should like to mention. The Minister of Finance (Mr. Abbott) is in his seat. When the minister was giving estimates of the increased cost next year he estimated the cost of introducing the five-day 40-hour week at $5 million. There must be some basis upon which that estimate was made. Surely the Post Office Department must have had some idea of how many and what post offices would be involved. Apparently the Minister of Finance was able to assure the hon. member for Winnipeg North Centre (Mr. Knowles) this afternoon that Winnipeg was one of the cities.

Mr. Abbott: Regina is there too.

Mr. Ellis: That is all I wanted to know.

Mr. Knowles: What about Montreal?

The house divided on the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Adamson
Argue
Barnett
Bell
Blackmore
Blair
Brooks
Bryson
Cameron (Nanaimo)
Cardiff
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Ellis
Fair
Fairclough, Mrs.
Fulton
Gillis
Green
Hahn
Harkness
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Low
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
McGregor
Mitchell (London)
Montgomery
Nesbitt
Nicholson
Nickle
Noseworthy
Nowlan
Patterson
Pearkes
Quelch
Regier
Robinson (Bruce)
Shaw
Stanton
Stewart (Winnipeg North)
Thatcher
Trainor
Tustin
Winch
Yuill
Zaplitny—59.

NAYS

Messrs:

Abbott
Anderson
Applewhaite
Ashbourne
Balcom
Batten
Benidickson
Bennett (Grey North)
Boivin
Boucher (Chateauguay-Huntingdon-Laprairie)
Breton
Buchanan
Byrne
Campney
Caron
Carter
Claxton
Cote
Crestohl
Dechene
Deslieres
Dumas
Fairey
Fontaine
Fraser (St. John's East)
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Howe (Port Arthur)
Huffman
Jutras
Kickham
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lusby
MacDougall
MacEachen
McCann
McCulloch (Pictou)
McIvor
McWilliam
Mang
Mitchell (Sudbury)
Monette
Pearson
Philpott
Pickersgill
Pommer
Power (St. John's West)
Prudham
Purdy
Reinke
Richard (Ottawa East)
Robichaud
Shipley, Mrs.
Simmons
Stick
Studer

Thibault	Weir
Tucker	Weselak
Villeneuve	Winters
Weaver	Wood—76.

Mr. Proudfoot: I was paired with the hon. member for Chicoutimi (Mr. Gagnon). Had I voted, I would have voted against the amendment.

Mr. Speaker: Shall we have the second division now?

Some hon. Members: Agreed.

Mr. Speaker: Does the minister wish to reply? If the minister speaks now he will close the debate. Or is it agreeable to proceed with the second division now?

Some hon. Members: Agreed.

Mrs. Fairclough: Does not the minister intend to answer any of the questions we have asked?

Mr. Speaker: If the minister speaks he will close the debate.

Hon. Alcide Coté (Postmaster General): Mr. Speaker, at this time of evening I shall attempt to answer some of the arguments which have been made, and I shall endeavour not to indulge in any repetition. I shall deal first with some of the remarks made by the Leader of the Opposition (Mr. Drew), since they cover most of the objections raised on the other side of the house.

With some heat, the Leader of the Opposition seemed to object to what he repeatedly termed a political speech on my part. What I had done was quote from the Woods-Gordon report, give a clear-cut statement of the financial position of the department and make, I think, some proper observations in regard to the tactics of the opposition. He, and he alone, however, seemed to resent my doing so.

I repeat that there was no thought in my mind of making a political speech, in the ordinary sense of the term; but his reply was, I submit, political from beginning to end. After trying to create an atmosphere of confusion he then proceeded to flog a dead horse in discussing the tabling of the Woods-Gordon report. When I listened to his remarks, made in a loud and scolding tone, I thought I must have been guilty of something improper—only to find that, in fact, what he was doing was commending me for my action in tabling the report.

I am suggesting to him that the next time he agrees with me, he should not do it so violently. May I ask him also not to keep on repeating, and by his repetition encourage the idea, that there is nothing illegal about posting letters in the United States in order

to evade paying the proper rate of postage in this country. As I informed the house earlier Canada, along with some 90 other countries, is signatory to the universal postal union conventions and documents; and under the terms of these international agreements and by regulations having the full force of law, it is absolutely illegal for anyone to attempt to evade postal rates in one country by depositing his mail in another. The penalties which I have mentioned would undoubtedly apply.

Moreover, United States postal authorities would not countenance such a practice. If the Leader of the Opposition, instead of reading "Alice in Wonderland" and quoting from it, would turn to section 5 (1) (j) of the Post Office Act he would see how wrong he is in what he had to say on this question of depositing mail in another country. I shall help my hon. friend in that respect by quoting this paragraph. It says that the Postmaster General may—

> (j) make and give effect to any postal agreement or arrangement with the government or postal authorities of any country or independent postal administration and pay out of postal revenue any remuneration or indemnity thereby provided.

That is exactly what we did. As I said before, Canada is bound by that treaty under the universal postal union. What I said before really applies. The Post Office Act does, I admit, make dull reading; but if, again, my hon. friend wishes to be authoritative he will have to give up his light reading, at least for a time.

His reference once more to Sir William Mulock, a tribute which good Liberals always enjoy, overlooked one fundamental point—that increased volume would net profits only if the per item rate is in itself profitable. It reminds me of the merchant who was going bankrupt and could not understand why. He knew he was losing money on each item he sold, but he was always hoping that the volume of business he was doing would permit him to make a profit.

Another, and not the last, item on which the Leader of the Opposition attempted to misinterpret what I said was when he said I had claimed that the opposition supported the idea that $13,500,000 added revenue could be obtained only in the way I suggested. Never at any time did I say anything of the kind. Once more may I suggest that the Leader of the Opposition give up reading "Alice in Wonderland" and pay more attention to what is said in the house.

Mr. Hodgson: If the minister is going to complain about the Leader of the Opposition he should stop reading his own speech.

Mr. Cote: I had only the lunch hour to gather what was said on the other side of the house, and this was the only way I could answer hon. members because they kept repeating and repeating the same arguments. I tried to find something which I could answer, and that was why I gathered these notes of the arguments used by my hon. friends on the other side. If I can judge by what I have not only heard but seen in the last few days, this was the general custom followed by all my hon. friends on the other side.

Mr. Hodgson: The Leader of the Opposition did not read his speech.

Mr. Cote: Mr. Speaker, what I am reading now is the result of the work I did. If my hon. friend would adopt the same principle he might be more interesting in this house.

I repeat that it was worth while to listen to what was said in this house. If that had been done, perhaps by the Leader of the Opposition, he could with advantage read *Hansard* and find out exactly what I did say, which was that everyone agreed that the $13,500,000 had to be paid out; that everyone agreed with the increased salaries to postal employees and with the shorter hours. I then went on to spell out in detail the items making up this cost and to summarize what the opposition had suggested as an alternative to the straightforward method of increasing postage rates.

The Leader of the Opposition tried to make some point of the fact that the government paid its telephone bills and other charges for similar services. I am sure no one would suggest that the government could do anything else, particularly when telephone service is provided by private concerns. But in the case of the Post Office Department, for other departments to pay their postage would simply be taking money out of one pocket and putting it in another, a bookkeeping device which would not change the over-all picture in any particular.

I cannot understand my hon. friend's excitement about a reference to using taxes to meet increased postal charges. He denied emphatically ever having suggested anything of the kind. Once more, I did not say that he himself had made the suggestion. I said that this had come from the opposition. It was, therefore, exceedingly amusing to find his stalwart supporter, the hon. member for York-Humber (Miss Aitken), repeating most emphatically this same suggestion a little later on. I think this is a complete answer to my hon. friend.

Then if I follow correctly the order of his remarks he came again to the idea that while we lost some $7,500,000 in the stamp tax we did have substantial savings in the cost of handling these items. I had already informed him that the costs were in the neighbourhood of $30,000, so the balance sheet of this particular item would be: lost revenue, $7,500,000; gain in lowered cost of handling, $30,000; net loss, $7,470,000. In other words we would be losing 99·6 per cent and managing to hold the other ·4 per cent.

There was one thing I was glad to note, however, in the remarks of the Leader of the Opposition. He disagreed with the junior addition to his ranks, the hon. member for Notre Dame de Grace (Mr. Hamilton), who had earlier sneered at and derided the tribute paid by the Woods-Gordon company to departmental officials. I thank the Leader of the Opposition for his tribute to these same men, and commend his attitude to his back-row supporter.

I come now to the question of abolishing the post office savings bank and the repeated suggestion that there would be a clear saving of $377,000. There would indeed be a saving of this amount to the Post Office Department, but may I submit that it does not follow there would be a saving of that amount or perhaps of any amount to the government at large.

The savings bank is widely used and I am sure is an appreciated service. Some $37 million stays on deposit over many years and this money is made available to the government, thus lowering the amount it may need to raise by way of loan. The difference between the $377,000 cost of operation and the cost of short-term bank loans, with any administration costs, would be the only saving possible by the abolition of the bank.

While I am on the subject of the bank, which was also mentioned by many others, it is interesting to know that if the government does decide to implement this particular recommendation we will be able to assure depositors who might be somewhat disappointed by our action that the opposition were all enthusiastic for this course of action.

With regard to the reference to the $200,000, and some other items mentioned in the Woods-Gordon report, which could be saved in Toronto alone, again we have in the observations of the opposition the idea that Toronto is just one relatively small district, and that we can multiply manyfold the suggested savings to such a degree that $13,500,000 will be realized in a very short time. In actual fact approximately one-fifth of postal costs are incurred in Toronto, since about one-fifth of the whole mail handled passes through that area.

If we accepted, then, the estimated savings of the Woods-Gordon report and apply these same savings everywhere, we could not hope to realize any more than a small fraction of the $13,500,000. To make this small fraction a little more proportionate than that term would indicate, may I suggest that a maximum saving of $2 million might be possible, not an insignificant amount by any means but still a long way short of the $15 million we will realize and need under the proposal now before the house.

Now I come to one phase of the remarks of my hon. friend opposite which pained me greatly, that is, the outspoken commendation he gave to the methods employed by the hon. member for Notre Dame de Grace in gathering information about the Woods-Gordon report. He counsels and encourages hon. members to follow such a course, but I am sure others were shocked by the action and perhaps even more shocked by the attitude of the Leader of the Opposition with respect to it. Just to make it quite clear to him that there are other views in this house, and not confined to this side, I may tell him that I have had personal reactions from members of his own party quite contrary to what he said in this house.

Mr. Fulton: On a question of privilege, I submit that the Postmaster General or any other member is not entitled to make reference to private conversations with members of this house.

An hon. Member: Why not?

Mr. Pickersgill: When did that become a rule of the house?

Mr. Cote: I do not think—

Mr. Fulton: Mr. Speaker, on a question of privilege—

Mr. Speaker: The hon. member has raised a question of privilege. I listened to it, but I should like to listen to what comments the minister has to offer.

Mr. Cote: If my hon. friend wants me to—

Mr. Fulton: If I may argue the point for a moment before the minister replies. I suggest that the reason I think this is the rule will be readily apparent. If private conversations are to be used as a basis for points raised in debate, any confidence in private discussion between members on either side of the house will be completely destroyed. If the minister is complaining of a breach of confidence, I suggest to him that here is the greatest breach of confidence that has been made in this house for many years.

Mr. Speaker: There is no rule to the effect that an hon. member must not reveal what he has been told by others. It is up to him; it is his responsibility. If, of course, he does divulge private conversation, and in all courtesy he should not, he will have to bear the responsibility.

I may say on this point that what I was worried about was not so much the comment made by the minister in regard to the remarks of hon. members opposite, but rather the fact that he was reviving a matter which I thought had previously been discussed and settled. That matter was perhaps revived in a way by the Leader of the Opposition at the commencement of debate on the second reading of this bill, but I was hoping that not too much importance would be placed on that because if we revive the matter again and again there is no point in settling it once.

Mr. Cote: Mr. Speaker, I agree with you. I had the same thing in mind. I did not want to revive the subject. I wanted only to say a few words, since the Leader of the Opposition had mentioned the matter at the opening of the debate.

I do not want to go all over the arguments which have been repeated. I want only to answer one question which was directed to me by the hon. member for Kamloops (Mr. Fulton). He asked me if I would extend to him the same courtesy I extended to the hon. member for Notre Dame de Grace. He knows I always try and will always endeavour to extend the same courtesy to every hon. member in this house; but he will not blame me if, from now on, I am very cautious of those who come into my office with a dictaphone machine during my absence.

Mr. Coldwell: Mr. Speaker, may I ask the minister a question which has been referred to by several hon. members. Will he tell us what the gain or loss is in connection with carriage of second-class mail?

Mr. Cote: In committee.

Mr. Coldwell: Will we deal with that in committee?

Mr. Cote: Yes.

Mr. Abbott: You might also tell hon. members at the same time what the gain or loss is in providing free premises, heating and services for the Post Office Department.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Yes.

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

YEAS

Messrs:

Abbott
Anderson
Applewhaite
Ashbourne
Balcom
Batten
Benidickson
Bennett (Grey North)
Boivin
Boucher (Chateauguay-Huntingdon-Laprairie)
Breton
Buchanan
Byrne
Campney
Caron
Carter
Claxton
Cote
Crestohl
Dechene
Deslieres
Dumas
Fairey
Fontaine
Fraser (St. John's East)
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Howe (Port Arthur)
Huffman
Jutras
Kickham
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lusby
MacDougall
MacEachen
McCann
McCulloch (Pictou)
McIvor
McWilliam
Mang
Mitchell (Sudbury)
Monette
Pearson
Philpott
Pickersgill
Pommer
Power (St. John's West)
Prudham
Purdy
Reinke
Richard (Ottawa East)
Robichaud
Shipley, Mrs.
Simmons
Stick
Studer
Thibault
Tucker
Villeneuve
Weaver
Weir
Weselak
Winters
Wood—76.

NAYS

Messrs:

Adamson
Argue
Barnett
Bell
Blackmore
Blair
Brooks
Bryson
Cameron (Nanaimo)
Cardiff
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Ellis
Fair
Fairclough, Mrs.
Fulton
Gillis
Green
Hahn
Harkness
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Low
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
McGregor
Montgomery
Nesbitt
Nicholson
Nickle
Noseworthy
Nowlan
Patterson
Pearkes
Quelch
Regier
Robinson (Bruce)
Shaw
Stanton
Stewart (Winnipeg North)
Thatcher
Trainor
Tustin
Winch
Yuill
Zaplitny—58.

Mr. Proudfoot: Mr. Speaker, I was paired with the hon. member for Chicoutimi (Mr. Gagnon). Had I voted, I would have voted for the motion.

Mr. Speaker: I declare the motion carried.

Bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Rates on letters.*

Mr. Harris: Mr. Chairman, would you report progress and ask leave to sit again?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: On Monday we shall continue with this bill in committee as it now is. Then we shall take third reading of the amendment to the Senate and House of Commons Act; then second reading of the amendment to the Salaries Act. There are on the order paper two resolutions, one in the name of the Minister of Agriculture having to do with the Animal Contagious Diseases Act and one in the name of the Minister of Fisheries having to do with the international convention with respect to the northwest Atlantic fisheries. Those resolutions will be taken in that order. Then there are two bills in the name of the Minister of Mines and Technical Surveys (Mr. Prudham), one with respect to the boundary between the provinces of Ontario and Manitoba and one with respect to the Explosives Act. Then there is second reading of the amendment to the Canadian Forces Act. We shall take them in that order on Monday and Tuesday.

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

HOUSE OF COMMONS

Monday, February 8, 1954

The house met at 2.30 p.m.

STANDING ORDERS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. C. W. Carter (for Mr. Harrison): Mr. Speaker, I move that the first report of the standing committee on standing orders, presented on Friday, February 5, 1954, be now concurred in. Notice of this motion was given last Friday.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have no objection to the passing of this motion. Indeed, I am a member of the committee, the report of which is now before the house. There is, however, just one word I would like to say and I think I should be permitted to say it.

I have noted with interest that the motion now moved on behalf of the hon. member for Meadow Lake (Mr. Harrison) is recorded in the *Votes and Proceedings* of Friday last suggesting that notice of it was given on that occasion. I also notice with interest that although notice was given on Friday the motion does not appear anywhere on today's order paper. In other words, it is apparently being regarded as a procedural motion which it is proper for a private member to move so long as the required 48 hours' notice has been given.

When one couples this with the ruling that Your Honour made in connection with another matter last week, it seems to me that a definite practice is being established. I have no objection, but I do wish to draw attention to it so that on future occasions when other private members find themselves in a similar position and wish to move procedural motions comparable to this one they may be accorded the same privilege.

Mr. Speaker: Since the hon. member has raised the point, perhaps I should remark here that it might be well for us to consider whether motions such as this should not be inscribed on the order paper under the title "Motions", so that they would appear on the order paper and no hon. member would be caught by surprise. This might well be considered by the standing committee on procedure.

Motion agreed to.

83276—117½

QUESTIONS

INCOME TAX COLLECTIONS, P.E.I.

Mr. MacLean:

How much income tax was collected in the province of Prince Edward Island by the federal government each year since 1938?

Mr. McCann:

Fiscal year ended 31st March	Total amount of income tax collected by federal government in Prince Edward Island
1938	$ 970,279
1939	499,138
1940	610,083
1941	742,390
1942	803,229
1943	1,433,886
1944	1,783,833
1945	2,051,737
1946	2,117,412
1947	2,167,114
1948	2,167,300
1949	2,978,755
1950	2,463,353
1951	2,836,770
1952	2,747,014
1953	3,182,095

R.C.M.P., REGINA—BUTTER AND MARGARINE

Mr. Diefenbaker:

How many pounds of (a) butter; (b) margarine, have been purchased for use in the Royal Canadian Mounted Police barracks in Regina, month by month since the 1st of January, 1953?

Mr. Garson: The provisioning of messes in Regina and the selection of individual items of food is a joint responsibility of the mess committees, elected by dining members, and the dietitian. Food purchases are paid for from mess funds.

Administrative officers at Regina and headquarters, Ottawa, check the diet sheets and audit accounts to ensure that the nutrient value is kept at the proper level and that there is no extravagance or waste.

Based on the average cost of meals, a rate is struck from time to time and the mess funds are reimbursed from public funds. In turn, members taking meals in messes are charged a standard rate which applies generally throughout the country, and the amounts involved are stopped from pay and deposited as a refund to consolidated revenue.

Messes in Regina, operating under this system, purchased:

1953	(a) Butter	(b) Margarine
January	700 lbs.	345 lbs.
February	750 "	392 "
March	850 "	280 "
April	700 "	460 "
May	800 "	172 "
June	524 "	339 "
July	450 "	112 "
August	510 "	330 "
September	800 "	340 "
October	950 "	256 "
November	950 "	388 "
December	900 "	400 "

OFFENSIVE LITERATURE—PROSECUTIONS

Mr. Fulton:

1. In how many cases since 1949 have prosecutions been launched under section 207 of the Criminal Code in respect of (a) crime comics; (b) obscene literature; (c) other offensive matter as defined in the said section?

2. In how many such cases respectively have convictions resulted?

3. What was the punishment imposed in each case?

Mr. Dickey:

1, 2 and 3.

Violations of section 207 of Criminal Code,

1950-1952

	1950	1951	1952
Prosecutions	33	31	30
Convictions	30	28	29
Disposition—			
Option of fine	17	18	22
Gaol	13	7	5
Suspended sentence..	—	3	2

Note: No figures available by subsections of section 207 to show offences in respect of (a) crime comics; (b) obscene literature; (c) other, separately.

TRANS-CANADA AIR LINES—MOOSE JAW

Mr. Thatcher:

1. Have representations been received by Trans-Canada Air Lines, asking for a daily flight into the city of Moose Jaw?

2. If so, has Trans-Canada Air Lines considered these representations?

3. Has the company decided to make such a daily flight?

4. If not, for what reason?

Mr. Dickey:

1. Yes.

2. Yes, and even before the recent representations were received.

3. No.

4. T.C.A. under its existing route licences is not authorized to stop at Moose Jaw, and would not be justified in applying to the air transport board for the required amendment to its licence until deliveries of Viscount aircraft now on order, made available the additional DC-3 aircraft time which would be necessary for such a stop.

ATLANTIC REGION, C.N.R.—LAY-OFFS

Mr. Murphy (Westmorland):

1. In the recent countrywide lay-off by the Canadian National Railways, how many men were affected in the Atlantic region?

2. How many men were laid off in the Canadian National Railways shops at Moncton and is this a temporary lay-off?

3. What are the prospects of these men being taken into the railway employ at a future date?

4. Does it depend on traffic conditions generally or dieselization in the Atlantic region?

5. Are there more lay-offs to come and will they be of a permanent or temporary nature?

6. Is diesel equipment being repaired at the Canadian National Railways shops in Moncton and, if not, will diesel repair shops be built in Moncton?

Mr. Langlois (Gaspe):

The Canadian National Railways advise as follows:—

1. Since October 1953, 312 employees in the mechanical department on the Atlantic region have been laid off.

2. Of the above group, 240 were from Moncton main shops. The duration of the lay-off will be determined by business requirements.

3. See answer to No. 2.

4. Staff requirements are affected by traffic conditions.

5. See answer to No. 4.

6. All diesel equipment presently operating on the Atlantic region is repaired on that region, and most of the work is done at Moncton.

SOUTH SASKATCHEWAN IRRIGATION PROJECT

Mr. Diefenbaker:

1. What is the present position of negotiations between the federal government and the government of Saskatchewan regarding the South Saskatchewan river dam and irrigation project?

2. Have representatives of the two governments met to discuss the matter? If so, who represented each government and how many meetings have been held?

3. Has the government of Saskatchewan made any offer as to the amount that it is prepared to spend in connection with the development of (a) power; (b) irrigation? If so, what was the amount of such offer?

4. Did the federal government suggest that this offer be withdrawn and, if so, for what reason?

5. Have contractors been asked to make any estimates as to the cost of construction since the 10th of August, 1953? If so, what are the names of said contracting companies and the amounts of their respective estimates?

Mr. McCubbin:

1. A committee of provincial experts under the chairmanship of the provincial minister of agriculture, Hon. I. C. Nollet, is meeting

a committee of federal experts under the chairmanship of the director of prairie farm rehabilitation, Dr. L. B. Thomson, to consider possible costs of construction if a dam is to be built on the South Saskatchewan river.

2. Yes. The Minister of Agriculture met the premier of Saskatchewan on two occasions and following each meeting he and Dr. L. B. Thomson met the entire government of Saskatchewan in Regina.

3. The Saskatchewan government offered to pay $20,000,000 on the cost of the dam on account of power and agreed with the P.F.R.A. estimate that their expenditure on irrigation would be at least $25,000,000.

4. The federal government through the Minister of Agriculture suggested it would be better to have the actual cost of power written into any agreement which might be made. The provincial government agreed.

5. No. It would not be possible to get bids if we were going to publish the amounts and thus put other contractors in possession of such bids.

JOHNSTON-WESTERN CANADA PROJECT—IRRIGATION

Mr. Fulton:

1. Has treasury board approved a recommendation for the sum of $46,000 as an item, or part of an item, for inclusion in the estimates of 1954-55, for payment of the cost of irrigation works on the Johnston-Western Canada V.L.A. project near Kamloops, British Columbia?

2. If so, when, and what is the number of the treasury board minute or order?

FISH SCREENS, NICOLA, B.C.

Mr. Fulton:

1. Has treasury board approved a recommendation for the sum of $6,000 as an item or part of an item, for inclusion in the estimates of 1954-55, for payment for fish screens installed in the Nicola, British Columbia, district?

2. If so, when, and what is the number of the treasury board minute or order?

Mr. Abbott: Mr. Speaker, perhaps I might answer these two questions orally. Both were placed on the order paper by the hon. member for Kamloops (Mr. Fulton) before the tabling of the estimates. They relate to items for irrigation work in British Columbia.

The answer to both questions is that there are items in the estimates, as tabled, regarding the cost of irrigation work in British Columbia, but the treasury board does not issue a special order with respect to individual items and therefore it would be impossible to answer the second part of my hon. friend's question in both cases.

Questions

FRUITS AND JUICES, IMPORTS

Mr. Ross:

1. What quantity of (a) canned fruits; (b) canned fruit juices; (c) frozen fruit juices; (d) frozen canned fruits, was imported into Canada, during the year 1953?

2. From what countries and what quantity from each?

Mr. Dickey: 1 and 2. Figures for the complete calendar year 1953 are not yet available. Imports during the period January 1 to October 31 1953, are as follows:—

(a) Canned fruits:

Country	Pounds
United Kingdom	146,401
Union of South Africa	938,811
India	5,597
Malaya	627,274
Jamaica	155,860
Hong Kong	6,116
Australia	3,635,284
Belgium	1,143
Cuba	152,812
Japan	740,667
Mexico	5,373,412
Netherlands	369,358
Hawaii	17,930,482
Taiwan	408,773
United States	31,804,450
Total	62,296,440

(b) Canned fruit juices:

Country	Gallons
United Kingdom	22,584
Jamaica	48,704
Trinidad	751,105
Australia	7,216
Mexico	91,465
Netherlands	265
Hawaii	1,586,602
United States	8,738,363
Total	11,246,304

(c) Frozen fruit juices. United States: 898,756 gallons.

(d) Frozen canned fruits. Information not available. Not separately classified in trade statistics.

JOHNSTON-WESTERN CANADA PROJECT—IRRIGATION

Mr. Fulton:

With respect to the fact that the sum of $46,420 was approved by treasury board as part of an item included in the estimates of 1954-55 for payment of the cost of irrigation works on the Johnston-Western Canada V.L.A. project near Kamloops, British Columbia: 1. Did treasury board approve or

authorize the release of this information for general publication prior to the tabling of the estimates in the house?

2. If so, when, and who was authorized to release it?

FISH SCREENS, NICOLA, B.C.

Mr. Fulton:

With respect to the fact that the sum of $6,000 was approved by treasury board as part of an item included in the estimates of 1954-55 for payment of the cost of fish screens installed in the Nicola, British Columbia, district: 1. Did treasury board approve or authorize the release of this information for general publication prior to the tabling of the estimates in the house?

2. If so, when, and who was authorized to release it?

Mr. Abbott: Here again, Mr. Speaker, perhaps I might answer these questions verbally. My hon. friend asks with respect to certain items in the estimates concerning irrigation works in British Columbia, whether treasury board approved or otherwise the release of this information for general publication prior to the tabling of the estimates in the house.

In reply I would say that the treasury board performs many useful functions, but the approval or authorization of information is not among those functions. Hence the answer to these questions must be in the negative.

Mr. Speaker: Answered.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FERTILIZER

Mr. Dinsdale:

1. What has been the total production of chemical fertilizer in Canada for each year since 1945?

2. What firms in Canada are engaged in the production of chemical fertilizer, and what is the production figure for each firm each year since 1945?

3. How much Canadian fertilizer has been exported to the United States of America, and at what price per ton each year since 1945? What are the exporting companies?

4. How much fertilizer has been imported into Canada from the United States of America, and at what price per ton each year since 1945?

5. What has been the spring price of chemical fertilizer in Canada each year since 1945?

Mr. Dickey: Return tabled.

CROWN ASSETS DISPOSAL CORPORATION—BOOTS AND SHOES

Mr. Thatcher:

1. How many boots and shoes were sold by Crown Assets Disposal Corporation during the last fiscal year?

2. How many of these were new and how many were used?

3. What was the original price paid for these boots and shoes?

4. For what reasons were they declared surplus?

[Mr. Fulton.]

CROWN ASSETS DISPOSAL CORPORATION—BLANKETS

Mr. Thatcher:

1. How many blankets were sold by Crown Assets Disposal Corporation during the last fiscal year?

2. How many of these were new and how many used?

3. What was the original price paid for these blankets?

4. For what reasons were they declared surplus?

CROWN ASSETS DISPOSAL CORPORATION—JACKETS

Mr. Thatcher:

1. Were the 150,012 jackets which were sold for $111,728.44, according to page 23 of the ninth annual report of the Crown Assets Disposal Corporation, new or used?

2. What was the original price paid by the government for these jackets?

3. For what reasons were they declared surplus?

4. To how many companies were invitations for offers sent, in connection with the sale of these assets?

CROWN ASSETS DISPOSAL CORPORATION—WATCHES

Mr. Thatcher:

1. Were the 7,460 watches which were sold for $6,714, according to page 23 of the ninth annual report of the Crown Assets Disposal Corporation, new or used?

2. What was the original price paid by the government for these watches?

3. For what reasons were they declared surplus?

4. To how many companies were invitations for offers sent, in connection with the sale of these assets?

UNITED STATES CITIZENS—EMPLOYMENT IN CANADA

Mr. Fulton:

1. For how long a period can a citizen of the United States of America, who is not a citizen of Canada, remain in civilian employment in this country?

2. What are the provisions covering this situation?

3. Are there any provisions ensuring that priority in employment on projects in Canada shall be given to Canadians? If so, what are the details of such provisions?

PORK

Mr. Hodgson:

1. Was any pork exported to Germany in 1953? If so, how many pounds?

2. Was any canned pork exported to Germany in 1953? If so, what quantity and at what price?

3. What amount of canned pork, if any, is presently stored by the federal government?

IMMIGRATION EXPENDITURES

Mr. Fulton:

1. What amount was expended in each of the fiscal years ended March 31, 1950, 1951, 1952, 1953 and 1954 to date, for all purposes in connection with the immigration facilities, including inspection services, salaries of officers and other related expenditures,

maintained in each of the following countries: England, Scotland, Northern Ireland, Germany, France, Italy, Holland and the Scandinavian countries?

2. What amounts are being asked for in the coming fiscal year for each of these countries?

MAIL CONTRACTS

Mr. Brooks:

1. In how many cases has the Postmaster General entered into contracts under amendments to the Post Office Act provided for in Bill 107, 1953, for conveying mail involving an annual expenditure of $1,000 or less?

2. In how many cases under the above amendments has he increased the amount payable under existing contracts, during the unexpired term thereof?

DEFENCE EXPENDITURES

Mr. Nicholson:

What is the total cost to Canada, of (a) world war I; (b) world war II; (c) defence expenditures, since the end of world war II?

MOTIONS FOR PAPERS

JOHNSTON-WESTERN CANADA PROJECT—IRRIGATION

Mr. Fulton:

For a copy of any treasury board order or minute approving or authorizing the inclusion of an item, or as part of an item, in the estimates of 1954-55, of any amount or amounts for payment of the cost of irrigation works on the Johnston-Western Canada V.L.A. project near Kamloops, British Columbia.

FISH SCREENS, NICOLA, B.C.

Mr. Fulton:

For a copy of any treasury board order or minute approving or authorizing the inclusion of an item, or as part of an item, in the estimates of 1954-55 of any amount or amounts for payment for fish screens installed in the Nicola, British Columbia, district.

He said: In view of the answers given by the Minister of Finance to the two earlier questions, indicating that there are in treasury board no separate notes of approval for specific items, and after discussions with the minister, as a result of those discussions I would ask that these notices of motions be dropped.

Mr. Speaker: Dropped.

JOHNSTON-WESTERN CANADA PROJECT—ALLOCATION OF FUNDS

Mr. Fulton:

For a copy of all letters, telegrams, and other correspondence, and memoranda of telephone calls, exchanged between the government or any minister, department or agency thereof, and any other person or organization outside the dominion government service, since 1st June, 1953, concerning the allocation of funds for the Johnston-Western Canada V.L.A. project near Kamloops, British Columbia.

WATER POLLUTION, NORTH SASKATCHEWAN RIVER

Mr. Diefenbaker:

For a copy of all letters and telegrams which have passed since the 12th of November, 1953, between any department of the federal government and the provincial governments of each of the provinces of Saskatchewan, Alberta and Manitoba, together with reports made to the federal department of health by all officials, investigators or analysts of said department relative to the pollution of waters of the North Saskatchewan river by the alleged dumping into the river at a point near Edmonton, Alberta.

Mr. Martin: I wonder whether my hon. friend would be agreeable to allowing this matter to stand until tomorrow so that I may have the opportunity of perhaps discussing the matter further with him before the motion is adopted.

Mr. Speaker: Motion stands.

EXTERNAL AFFAIRS

SUGGESTED OUTLET FROM BRITISH COLUMBIA THROUGH ALASKA

On the orders of the day:

Mr. E. T. Applewhaite (Skeena): I should like to direct a question to the Minister of Northern Affairs and National Resources following on the question of Friday last by the hon. member for Vancouver-Quadra (Mr. Green). Has the government received copies of a resolution passed by the executive committee of the British Columbia and Yukon chamber of mines recommending an early meeting between representatives of the province of British Columbia, the Yukon Territory and the territory of Alaska, to discuss the proposal that the territory of Alaska allow British Columbia and the Yukon access to the Pacific ocean by way of corridors through the Alaska panhandle? If so, has the government received any representations from the governments of British Columbia or of the United States asking that such a meeting be held—

Some hon. Members: Order.

Mr. Knowles: Does the hon. member not know the rules?

Mr. Applewhaite: —or does it see any adequate reason to initiate any such discussion itself?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, I wish to thank the hon. member for having sent me advance notice of his question.

The answer to the first part of the question is yes. The Prime Minister (Mr. St. Laurent), several of my colleagues, and I received copies of the resolution by the executive committee of the British Columbia and Yukon chamber of mines.

The answer to the second part of the question is no. The government has not received any representations from the governments of British Columbia or the United States, and it does not see any adequate reason to initiate any such discussions itself. So far as the Yukon is concerned, for which the federal government has complete responsibility, there are not at this time nor do there appear to be in prospect any problems of development that require the establishment of "corridors".

Goods to and from the Yukon, as hon. members are aware, are now transported through the Alaska panhandle. I have been told by businessmen in daily contact with these matters that goods from Vancouver destined for Whitehorse, or vice versa, which are shipped through Skagway in bond, are handled by the customs with no delay or inconvenience at all.

Mr. Speaker, if I may be allowed to do so, I should like to make this further statement. Some of the discussion with regard to corridors has stressed the importance of securing an area where industrial sites can be established on or near tidewater. I think there has been a tendency to overlook the significance of the word "near". Many large industrial plants, even when located right at the water's edge, find it necessary to load their raw materials into railroad cars to transport them to stockpiles or to various sections of the plant. If this has to be done anyway, it adds relatively little to the cost to transport the material a few miles from the seaboard. For example, the aluminum industry at Arvida is generally regarded as being located at tidewater, yet in fact the plant is about 20 miles from Port Alfred, where the raw material is unloaded from ocean-going vessels and where finished products are shipped.

Mr. Speaker: Order. I would point out to the minister that it is not quite regular to say more than is required to answer the question which, as hon. members have noticed, was quite long. I think the hon. member has received a long reply, and I do not think it should be any longer.

Mr. Lesage: Mr. Speaker, I will not be any longer, but it is a question of exposing government policy on this question of corridors, which is quite a complicated one.

Mr. Speaker: If the minister wishes to make a statement, he must do so under "motions". We are now at the stage of questions being asked and answers being provided. If I allow long questions to be put and long answers to be given, we shall then have long supplementary questions and long supplementary answers, and there is no end to the process.

Mr. Green: Mr. Speaker—

Mr. Speaker: I understand the hon. member for Vancouver-Quadra wishes to ask a question on the same subject?

Mr. Green: Mr. Speaker, I understood that the minister had practically finished his statement. May he not be allowed to finish it?

Mr. Speaker: If it is the wish of the house to hear the statement, I have no objection. Is it the wish of the house to have the minister make the statement?

Some hon. Members: Yes.

Mr. Ferguson: No.

Mr. Green: This question is of the utmost importance on the west coast of Canada. I would ask that the minister be allowed to finish his statement. He has been cut off right in the middle of it.

Mr. Speaker: I have no objection to that course. I just want to point out again that if a statement is to be made, it should be made under "motions". That is the practice that has been established, as the hon. member knows. If it is the wish of the house to hear the rest of the statement which the minister has started to make, he may proceed.

Some hon. Members: Yes.

Mr. Ferguson: No.

Mr. Green: Go ahead.

Mr. Lesage: Thank you, Mr. Speaker. If there is any objection—

Mr. Speaker: I just asked if the minister had the consent of the house to continue with his statement. Apparently he has, so he may continue.

Mr. Ferguson: No, he has not.

Mr. Lesage: To continue, satisfactory industrial sites appear to be available in parts of British Columbia immediately adjacent to the Alaska panhandle.

A point that should be kept in mind is that the "corridor" proposal amounts to a suggestion either that Canada acquire title to some United States territory or else get extraterritorial rights on United States territory. Neither possibility is one that is likely to be viewed with any favour in the United States.

Mr. Ferguson: Mr. Speaker, I rise on a point of order. I object. The minister has

not unanimous consent. He is establishing a precedent by breaking a rule that will be broken forever.

Mr. Speaker: Order.

Mr. Lesage: Mr. Speaker, speaking on the point of order, may I say that I am not surprised at the hon. member who has just objected.

Mr. Speaker: Order. The hon. member for Simcoe North (Mr. Ferguson) has objected. Therefore there is not unanimous consent. Let us conclude this incident.

UNITED NATIONS

CONTRIBUTIONS TO FORCES IN KOREA

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. Has his attention been directed to a speech delivered by the majority leader in the United States Senate, Senator Knowland, on Saturday to the effect that with the exception of Turkey and South Korea, the other nations within the United Nations had not made proportionate contribution to the forces there? He also said that it would be a disservice to the allies of the United States to think that the United States approves of the inequality of the contributions of other nations.

Has the minister any comment to make on that statement? In addition, is he in a position to say whether or not the United States government has ever made any such suggestion to the government of Canada?

Hon. L. B. Pearson (Secretary of State for External Affairs): I have read the statement in the press attributed to Senator Knowland. I have no comment to make on it, and no suggestion of that kind has ever been made to the Canadian government by the United States government.

LABOUR CONDITIONS

REQUEST FOR MORE FREQUENT RELEASE OF UNEMPLOYMENT FIGURES

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Minister of Labour. In view of the concern felt about the situation, can the minister have figures on unemployment released more frequently than once a month?

Hon. Milton F. Gregg (Minister of Labour): The hon. member for Winnipeg North kindly sent me notice of this question. The answer to it will have to be in the negative, and I am quite sure my hon. friend will understand the reason for that. As I pointed out to the house on January 27 last, it was decided in December, 1952, to issue the complete employment and unemployment statistics derived from both the national employment service operations and the dominion bureau of statistics monthly labour force survey at the same time. This has been done partly because the labour force survey data are available only on a monthly basis and partly to avoid confusion between the two sets of figures.

There is also the point I mentioned earlier, that the gathering and preparation of these two sets of figures require a substantial amount of time and effort, and the costs involved in issuing both sets more frequently would be very substantial indeed. In view of these reasons it would be very difficult to do it twice a month.

FINANCE

REDUCTION IN DISCOUNT RATE BY UNITED STATES FEDERAL RESERVE BOARD

On the orders of the day:

Mr. Colin Cameron (Nanaimo): I should like to direct a question to the Acting Prime Minister. Has his attention been drawn to the report in Saturday's press that the United States federal reserve board has cut the bank discount rate from 2 per cent to 1¾ per cent as a move to curb the current economic decline, and is the government of Canada contemplating similar action here?

Right Hon. C. D. Howe (Acting Prime Minister): This is a matter concerning the Minister of Finance, and I will ask him to answer the question.

Hon. Douglas Abbott (Minister of Finance): The government is aware of the action taken by the federal reserve board, the reason given being that it was a technical move to bring interest rates in the United States in line with treasury bill rates prevailing there.

[*Later:*]

Mr. Cameron (Nanaimo): I should like to ask a supplementary question, or rather to ask my question again of the Minister of Finance, because quite obviously he has not seen the report to which I refer. The one to which I refer states quite definitely that the federal reserve board has cut the bank discount rate in an administrative move to curb the current economic dip. My question was

whether the government of Canada is contemplating similar action. I have not had an answer to that.

Mr. Abbott: My hon. friend is reading from a newspaper report as to the purpose of the move. My information is based upon a communication made to the Bank of Canada prior to the move by the federal reserve board. The government of Canada is not responsible for the interpretation placed on these moves by the press of the United States.

BRIDGES

BURLINGTON CANAL—RECEIPT OF PLANS FROM ONTARIO GOVERNMENT

On the orders of the day:

Mr. F. E. Lennard (Wentworth): I should like to direct a question to the Minister of Public Works. Can the minister state if the plans for the Burlington canal bridge have been received by his department from the Ontario government and, if so, when it may be possible to approve them?

Hon. Robert H. Winters (Minister of Public Works): I thank the hon. member for giving me notice of his question. In reply, I presume he has in mind the high level vehicular bridge which the Ontario government is contemplating. I make this point because there is a railway bridge and a low level vehicular and pedestrian bridge across the canal at the present time. Therefore there are related problems when considering a solution to the Ontario government's highway problem in this dense traffic area. The minister of highways and several of his officials visited me on January 22 with sketch plans which we reviewed. These plans they took away with them, and it was the understanding that they would send them to us with a formal application for federal government participation in the cost of the high level bridge.

Because of the nature of the problem the Department of Transport and the Canadian National Railways are concerned as well as the Department of Public Works. There have been meetings of officials of these federal government departments and agency to determine the extent of the federal government's interest. The meetings are continuing pending receipt of the plans and submissions from the Ontario government.

[Mr. Cameron (Nanaimo).]

UNEMPLOYMENT INSURANCE

REQUEST FOR INVESTIGATION OF ADEQUACY OF PRESENT RATES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of Labour. Will the minister have a survey or investigation made as to the adequacy or inadequacy of the present rates of unemployment insurance benefits?

Hon. Milton F. Gregg (Minister of Labour): That problem is being surveyed and studied continuously by officers of the commission and of my department.

DUMPING

VEGETABLES—REPRESENTATIONS FROM MANITOBA GROWERS

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): I should like to direct a question to the Minister of National Revenue. Has the minister or his department received representations from the vegetable growers' association of Manitoba with respect to imports of United States vegetables? If so, would the minister care to comment on the situation at this time?

Hon. J. J. McCann (Minister of National Revenue): The hon. member gave me notice of his question. The answer is that the Department of National Revenue has no record of having received any representations from the vegetable growers' association of Manitoba during the past year. A somewhat similar question was asked and answered on January 15, and can be found at page 1142 of *Hansard*. It was asked by the hon. member for Digby-Annapolis-Kings and had to do with the alleged importation or dumping of vegetables in the maritime provinces. In my answer I gave certain information, and if the hon. member will read it I think it may help to solve any difficulties with reference to the manner in which this matter is handled.

WATER POLLUTION

NORTH SASKATCHEWAN RIVER—ALLEGED KILLING OF FISH

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I have a question I wish to ask the Minister of Fisheries, but as he is not here I shall address it to the parliamentary assistant. It has to do with the pollution of the waters of the North Saskatchewan. Has he received a report from the inspection staff—there are two inspectors of the Department of Fisheries

in Prince Albert—regarding the hundreds of fish that have died within the last three days, and particularly on Friday last, as a consequence of pollution? What is going to be done to meet the situation?

Hon. Robert H. Winters (Acting Minister of Fisheries): Mr. Speaker, the Minister of Fisheries was just called out of the house. As acting minister, I shall be very glad to bring the matter to his attention.

Mr. Diefenbaker: It is a serious situation.

[*Later:*]

Hon. Paul Martin (Minister of National Health and Welfare): In view of my hon. friend's question to the Minister of Fisheries, and particularly his comment about the seriousness of the situation, which we all appreciate very much, perhaps I might read the text of a telegram that was sent the day before yesterday to the minister of public health of the province of Alberta. It reads as follows:

> In view of the many questions asked respecting the pollution of the North Saskatchewan river through industrial wastes said to originate with industries in Alberta, I would like to offer the co-operation and assistance of the technical officers of this department to participate in a joint study with the technical officers of your province and of the industries to endeavour to find a solution to the problem. I appreciate that the matter is not one that is within federal responsibility but in view of its importance and the complications and technical difficulties that would appear to exist, the solution may well be one that can only be found with the full utilization of all of the technical resources that can be made available. If you feel that this is a helpful proposal I suggest that you have Dr. Somerville communicate with Dr. Cameron with a view to working out satisfactory details and arrangements for an immediate study.

I have not as yet received an answer.

Mr. Diefenbaker: May I make this one reference, in thanking the minister, to point out that the matter I raised a moment ago is shown in a picture appearing in the Saskatoon *Star-Phoenix* of February 6, in which hundreds of dead fish are shown piled up along the river near Prince Albert.

CANADIAN WHEAT BOARD

SUGGESTED REFERENCE OF REPORT TO STANDING COMMITTEE ON AGRICULTURE

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. Will the minister consider presenting a motion to the house to refer the important annual report of the Canadian wheat board to the standing committee on agriculture?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Yes, Mr. Speaker, it is my intention to do that at an appropriate time.

SUPERANNUATED CIVIL SERVANTS

SUGGESTED SUPPLEMENT TO PENSIONS IN SUPPLEMENTARY ESTIMATES

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 fact that there seems to be no item in the estimates to provide for a supplement to the pensions of superannuated civil servants, particularly those in the lower brackets, will the minister consider bringing in such an item when he prepares his supplementary estimates?

Hon. Douglas Abbott (Minister of Finance): He will consider it as usual, but I think it is very unlikely that there will be an item included.

Mr. Knowles: I hope the consideration will be better than usual.

POST OFFICE ACT

AMENDMENT TO INCREASE POSTAGE ON LETTERS AFTER APRIL 1, 1954

The house resumed, from Friday, February 5, consideration in committee of Bill No. 168, to amend the Post Office Act—Mr. Cote—Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Rates on letters.*

Mrs. Fairclough: Since the minister has given as one of the reasons for an increase in the postal rate the introduction of the five-day 40-hour week, the manner in which this change in delivery is to be worked out becomes a question of considerable importance. Several reports have appeared within the last few days, both in the press and over the radio, with reference to staff which is to be eliminated. I am very much concerned about this because I cannot believe that some of the reports which I have heard can be correct. Will the minister tell us just how he intends to proceed under the 40-hour week?

Actually, the letter carriers are working a 48-hour week, and then having a liquidation week every eleven weeks. For the purposes of this system a staff was employed to work in the liquidation weeks. I understand that plans are under way whereby the regular staff will work five days a week, Monday through Friday, and that casual help will be brought in to work on the Saturday.

Now, this does two things, if it is true. It removes from the post office the liquidation staffs which, in the city of Hamilton, I am given to understand, number eleven employees, men who are experienced letter carriers, and substitutes in their place whatever casual help the Post Office Department may be able to pick up at the offered rate of $1 per hour.

In an effort to secure this casual help I understand the officials of the department have been soliciting the universities and high schools to ascertain if students at those institutions would care to undertake this work at $1 per hour. I understand also that the regular post office employees have been solicited and, regardless of the rate at which they are paid, have been offered this Saturday work at $1 per hour. Quite apart from the fact that they have been offered the work I understand that they have been told, whether or not they volunteer, they shall be called upon if necessary to perform these duties on Saturday.

I believe this house would be interested in knowing whether it is the Postmaster General's intention to utilize the liquidation staff where it is his intention to institute the five-day week, or whether he is considering the rotation of the staff to permit experienced letter carriers to carry the mails on Saturday, or whether the rumour which I have heard—I may say that I heard the announcement over the radio this morning—to the effect that the post office is soliciting casual help from all and sundry, is true. Will the Postmaster General please tell us?

Mr. Cote: The principle of the five-day week is to permit the employees to work five days or 40 hours per week. It is applied, as we understand, because we want them to work no more than five days or 40 hours per week. We will not force employees to work more than that. But if amongst those who are already working there are some who want to work in their spare time, we would certainly consider their application.

Now, we are going to employ some other people to work the time necessary to complete the week. It will be understood that, although we want to give the privilege to our employees of working the five-day week, at the same time we want to keep the best service possible. In some places it would disrupt the service for a new man to come in and try to get used to several routes. This would cause delay and difficulty. By adopting the scheme we have in mind, we will be in a better position to give service because the same man will be on the same route every day except Saturday.

[Mrs. Fairclough.]

For the information of the house as well as the hon. member, I might say that we are recruiting as well some clerical staff, so there will be openings there for spare carriers. A delegation from the letter carriers association has endorsed our scheme. I do not know if I have made myself clear, but since we are applying the 40-hour week we want to give those employees who do not want to work more than 40 hours that privilege. We want also to keep this service as speedy and as efficient as it was before.

Mrs. Fairclough: If I understand the minister correctly, he is now telling us that the casual employees he hopes to recruit will do a better job than by taking the experienced letter carrier and putting him on a different route. Do I understand the minister to have said that?

Mr. Cote: I do not want to be misinterpreted by the hon. member. We want to have the same service we are giving every day, but the rotating service suggested by the hon. member would mean that the newcomers would have to learn at least eleven different walks, and they would have to take a new route every day.

Mrs. Fairclough: May I say that is precisely what the liquidation staff have been doing. They take a route a week, and for eleven weeks they take different routes.

Mr. Cote: This has caused a lot of complaints and complications, and we want to avoid the difficulties we have experienced in the past in connection with that scheme.

Mrs. Fairclough: If the rotation scheme has worked and these eleven employees who have been taking eleven different routes are put on regular routes, does the minister not agree it would be preferable to having high school or university students come in and work two or three months and then stop because they get into examination periods, summer holidays come along, or for some other reason? It seems to me there will be a terrific dislocation in the mail deliveries. If there is a dislocation on Saturday, then naturally the hangover of errors will fall on the regular carrier for that route when Monday rolls around. I believe it would be preferable to employ the staffs now employed in the Post Office Department, in the liquidation staffs, and to use them to build up the service on a regular five-day basis, whether it be Monday through Friday, or Tuesday through Saturday, or whatever the case may be, so that these men could be kept in their jobs. But to discharge experienced employees to take on casual help at $1 an hour seems to be just asking for trouble.

Mr. Cote: The people who know the work and who have done the work have accepted the agreement we are now trying to implement.

Mrs. Fairclough: Do I understand the Postmaster General to say that the agreement they have made is with the complete approval of the national association of letter carriers?

Mr. Cote: Yes.

Mrs. Fairclough: If that is so, it certainly has not met with the approval of the locals.

Mr. Cote: You cannot please everybody.

Mrs. Fairclough: You have not pleased anybody, so far as I know.

Mr. Green: On this point, within the last few days there have been serious complaints from Vancouver. Apparently Mr. MacNabb of the minister's department was out on the west coast the week before last, and announced that probably there would be a plan of hiring high school students. I have here a press dispatch of February 1 taken from the Vancouver *Sun*, which says:

> Post office authorities are considering the hiring of casual help, including high school students, to make Saturday deliveries of the mail when the five-day week for most postmen becomes effective on April 1.
>
> This was the report of R. H. MacNabb, manager of postal operations, Ottawa, when he visited Vancouver at the week end.
>
> He said in an interview that regular postmen also will be given the opportunity of making extra money by working on Saturdays if they want to.

Now, that seems a very unusual way to bring the five-day week into operation. Surely private industry does not have to resort to measures of that kind when it brings in a five-day week. The postmen in Vancouver have been protesting very bitterly. Other newspaper dispatches say that the protests will centre around the employment of casual help by the post office at substandard wages, and the reduction of professional post office standards by the employment of unsupervised and inexperienced people to handle public property as valuable and vital as the mails.

Union officials are reported to have recommended that the only permanent solution to providing a five-day week for postmen is for the department to hire extra postmen for every five walks in the city.

Some such plan as that I mentioned last would seem to be the businesslike way to bring in this five-day week. Why is it necessary to go out and hire high school students on a temporary basis in order to meet this situation?

Mr. Cote: Mr. Chairman, we must make it clear that while many private enterprises can simply stop working on Saturdays, the Post Office Department cannot. We have to deliver the mail. If there have been some carriers who have worried about being relieved of their work, this should not be the case, because they might be absorbed in the sorting staff.

So on the whole we have thought over this problem carefully. And it has created a problem. The Minister of Finance explained to the house that the five-day 40-hour week was creating a great problem in the Post Office Department. We have understood that, and I think now everyone understands it. But we have made this study, and have looked into the implementation and have come to the conclusion that this was the best way to implement the five-day 40-hour week scheme, while at the same time giving the best possible service.

I think everyone would understand that we are not asking those people who want to work only five days or 40 hours to work on Saturdays. That is their privilege. But if they asked us for other work, we would certainly consider their requests. On the other hand, we have to do the job, and to do it as quickly as possible. So that we have to have these casual workers on Saturdays.

Mr. Green: Then, the situation will be that on Mondays, Tuesdays, Wednesdays, Thursdays and Fridays the regular postmen will deliver the mail, while on Saturdays it will be delivered by high school students or—

Mr. Cote: No.

Mr. Green: On Saturdays the mail will be delivered by high school students or by a regular postman who—

Mr. Cote: Not necessarily.

Mr. Green:—or by a regular postman who wishes to work the extra day.

Mr. Cote: Not necessarily.

Mr. Green: Or by any other casual help. Why not adopt the suggestion put forward by the union, that there be an extra postman for every five walks?

Mr. Cote: What union?

Mr. Green: This is made by the union officials. I am referring to a dispatch which mentions the amalgamated civil servants association. This dispatch from Vancouver suggests that there should be a plan to hire an extra postman for every five walks, rather than to bring in all this casual help.

Mr. Cote: Well, that is exactly the principle we have rejected—the principle of rotation. I have explained already that we think the plan suggested by the hon. member will not give

satisfaction, so far as this work is concerned. We think further that by having casual workers—not necessarily students, but whoever may be hired, even including those already employed in the Post Office Department who are willing to work on Saturdays—we will give a better service.

Mr. Green: Then I am right in saying the situation is to be that on Saturdays the mail is to be distributed by casual workers.

Mr. Cote: Yes, that is what we have in mind.

Mr. Green: Well, that seems to me a very unbusinesslike way of doing it.

Mr. Cote: We already do it.

Mr. Knowles: I should like to put two or three questions to the minister. If he wishes to interrupt as I go along, it will be satisfactory to me.

First of all, as a member for Winnipeg I was glad to learn the other day from the Minister of Finance—although it was in advance—that Winnipeg is on the list of communities where postal workers will be put on the five-day 40-hour week. We also learned later in that day that Regina is on the same list. When will we have the complete list so that the whole country will know what communities will be on the five-day 40-hour week, so far as postal workers are concerned?

Mr. Cote: My hon. friend is right in saying that the other day the Minister of Finance made the statement that Winnipeg might have, or is going to have—

Mr. Knowles: No; don't qualify it—Winnipeg "is" on the list.

Mr. Cote: "Is" on the list. We had to assume that wherever the clerical staff was on the five-day 40-hour week, then we would have to consider introducing the five-day week for the operational staff. We did that because it was following the dominant pattern in a particular city or town where the five-day 40-hour week was already implemented. Therefore we have prepared our own estimates on that principle.

As far the second part of the question is concerned, we asked on Saturday and again today to have all the details as soon as possible, because we are going to implement this working scheme as announced before April 1. We are as anxious as my hon. friend to obtain all the details as soon as possible. Only this morning we again communicated with the civil service commission to have the details furnished to us in a week or so.

[Mr. Cote.]

Mr. Knowles: I am glad to know that the Postmaster General is as anxious as I am, because I am quite anxious. I move now, Mr. Chairman, to another question that I wish to put to the Postmaster General. When the Minister of Finance announced the postage increase in his statement to the house on Tuesday, December 8, as recorded in *Hansard* at page 691 he said:

> The government has accordingly decided to recommend the following adjustments in first-class postage rates effective April 1, 1954:
>
> 1. A general increase of one cent per ounce over existing rates.

I should like to know how far that policy of the one-cent increase is to be carried. The bill that is now before us amends only one section of the Post Office Act, namely, section 10, which sets the rates of postage on letters posted in Canada for delivery in Canada. In respect of what the bill does we are clear. It raises the present four-cent rate on letters from one area of Canada to another to five cents, and it raises the present drop letter rate from three cents to four cents. In addition, it raises by one cent the rate for additional ounces where a letter is overweight. But the question that comes to my mind has to do with postcards. I have been asked whether the rate on postcards is to be increased.

When one looks at the bill he finds no reference to postcards; but I have been rummaging around in the Post Office Act to try to find where the rate for postcards is set, and I do not find it there at all. It looks to me as though the rate for postcards is probably set under section 6 (d) of the Post Office Act, which gives the Postmaster General the authority to make regulations:

> (d) establishing rates of postage on any class of mailable matter for which the rate is not established by this act.

I hope the Postmaster General will correct me if I am wrong. I take it from that, and from looking through the act generally, that since there is no rate for postcards set in the act, the rate is fixed by the Postmaster General under the authority conferred upon him under section 6 (d). I assume it is under that authority that we have the present rate for postcards. I want to know, and I hope the Postmaster General can give us a clear and categorical answer on this, whether there is any intention on the part of the Postmaster General, either with or without the advice of his colleagues in the cabinet, to raise the rates on postcards after this bill has gone through. As I interpret it, that would be perfectly possible. The

bill can go through and by statute parliament, over our opposition, might increase the rates on first-class matter, but it would still be possible after the act had received royal assent for the government to decide to increase the rates on postcards or to increase the rates on letters which are unsealed, that rate that people make use of at Christmastime in sending out Christmas cards, for example. I think it is only fair—I hope the minister will not be cross with me because I ask this question. I do so because I am suspicious; I have been around here a long time, and I am more suspicious the longer I am here. I hope the minister will not think that I am unfair when I ask for a categorical statement that it is not the intention of the government to raise any of the other rates except the one that is being raised by the bill that is now before the house.

Mr. Cote: My hon. friend is right. This bill is before the house, and because it is before the house it is up to the house to decide whether there should be a readjustment in the postal tariff.

As far as postcards are concerned, it is true that they will follow the principle of increasing the rates by one cent.

Mr. Knowles: In other words, the Postmaster General—

Mr. Cote: Not through this bill.

Mr. Knowles: No, but this is something that we have not known. I was right in saying that I get more suspicious the longer I am around here. I am sure a lot of members around the house are surprised and shocked right now, and the country is going to be shocked, to discover that, although all the bill does is to increase by one cent the rate on first-class letters, it is the intention of the government, when the bill has been passed, under the authority of section 6 (d) of the act, to raise other rates by one cent as well. I am sure they are doing that because the minister—

Mr. Cote: Mr. Chairman, my hon. friend—

Mr. Knowles: I hope the minister can say I am wrong.

Mr. Cote: My hon. friend must remember that the Post Office Department has always had this right. He just quoted to the committee the section which says that we have this right. He cannot be shocked because we have this right and we have always had it.

Mr. Knowles: I quite recognize that the government has always had the right; but I think in terms of ordinary fairness the government should have told us right from the start that in addition to what is provided for in the bill they were going to raise these other rates as well. I ask the minister if the rates on unsealed letters such as the ones that people mail at Christmastime in which they put Christmas cards and mail them for two cents—it used to be one cent—are going to be increased.

Mr. Cote: The answer to my hon. friend's question is no.

Mr. Knowles: But postcards are going to be increased one cent?

Mr. Cote: Yes.

Mr. Knowles: But this is what we have not been told.

Mr. Cote: I am telling—

Mr. Knowles: You are telling us now.

Mr. Cote: I did not have a chance before, since my hon. friend has been—

Mr. Knowles: That is an insult to parliament, to say that; it is an insult for the government to say that in all the time that this bill has been before the house the government have not had the chance to tell us that along with the increase in first-class rates there is to be an increase in postcard rates, not by virtue of the bill that is before parliament, but by virtue of the authority that is already in the act.

Mr. Pickersgill: Exactly.

Mr. Knowles: The minister who has just spoken has only been in the government for a short time but he is used to this unlimited power that the government has.

Mr. Pickersgill: The power was given by parliament.

Mr. Knowles: Let it be clear that the hon. gentlemen on the other side are technically correct; the government has that right at the present time under the Post Office Act, and has had it right along; but at the moment we are not dealing in technicalities, we are dealing with the question of what is fair play. The government has a bill before parliament amending the Post Office Act. Parliament is being asked to put it through. If it had not been for my suspicious nature this matter might have gone through without parliament realizing that what is being effected at this time in practice is an increase of one cent not only on first-class letters, but on postcards. According to the Postmaster General they are going up one cent.

Mr. Cote: Perhaps I should tell my hon. friend that this act has been in effect since

1868. It was revised in 1951. That provision was then in the act; my hon. friend sat there and never said a word about it, never objected to it. I am talking about the bill. I am sorry if I have aroused my hon. friend's feelings. He said that this was a defy—

Mr. Knowles: "Insult" was the word.

Mr. Cote: So long as we are discussing the bill I stuck to a discussion of the bill. This is the first time that my hon. friend has asked the question, and I am answering the question he asked. What more does he want?

Mr. Knowles: The Postmaster General and the Secretary of State can throw their arms in semicircles if they wish. The plain fact of the matter is that the government is not playing fair with parliament in this situation. The Postmaster General is perfectly correct. This has been in the act ever since the year 1868. But here we have a case where the rates are being increased, and the portion of these rates that can be increased only by statute is before the house. I ask anyone with an ounce of fairness in his make-up if it would not be the proper thing to expect the government to say at the same time that they were going to make these other increases. The Minister of Finance did tell us what was going to happen in that one sentence which I just read. I repeat what he said:

> There will be a general increase of one cent per ounce over existing rates.

He did not tell us how far that extended. When we look at the bill all we see is an increase with respect to first-class mail in Canada, and another in the case of drop letters. But I submit even a parliament which has become inured to this kind of thing must be shocked by what we have learned at the present time.

Mr. Chairman, I have a third matter I want to speak about but I suspect there are other hon. members in the house who wish to pursue this point. I will leave the other matter until later. At the moment I simply want to protest as strongly as I can not only against the fact that there is to be this increase on postcards, but also at the way in which it is being done, and in particular at the way in which the government has tried to slip this over parliament.

Mr. Cote: Mr. Chairman, I think my hon. friend will agree that what he is suggesting could not have been done. A bill was brought here to readjust the postal tariff because we had to deal with it according to statute. Nothing else could be done. And it is absolutely—

Mr. Knowles: But could you not have told us on second reading of the bill that this was to happen? The minister cannot say he did not have time or that he did not have the latitude. He went all over the world—

The Chairman: Order.

Mr. Stewart (Winnipeg North): Mr. Chairman, I would like to pursue this matter a little further. Can the minister tell us if there are any further increases whatsoever envisaged in the Post Office Department other than on postcards and first-class mail?

Mr. Cote: The domestic rates apply to the whole of the dominion and the western hemisphere. In the case of other countries, five in all, the cost will go up to six cents and postcards will be increased by one cent.

Mr. Stewart (Winnipeg North): But there will be no increase on two-cent mail?

Mr. Cote: There is nothing suggested on that.

Mr. Stewart (Winnipeg North): Can the minister answer the question I asked on second reading?

Mr. Cote: The two-cent charge is now applied to Christmas cards and that will stay.

Mr. Stewart (Winnipeg North): You have already told us that. Can you answer a question I asked on the second reading? What is the actual cost of delivery between points on a first-class letter?

Mr. Cote: That depends entirely on where the letter is going. If for example a letter were sent to Aklavik it might be as much as 25 cents.

Mr. Stewart (Winnipeg North): Mr. Chairman, I am asking for an average and I would suggest we be given the average on a letter, say, from Ottawa to Winnipeg.

Mr. Cote: We know the over-all cost, but if my hon. friend wishes to concentrate on a letter from one place to another it would be very difficult to supply the actual cost. It might even vary according to the area from which the letter was sent to Winnipeg.

Mr. Stewart (Winnipeg North): Mr. Chairman, I would think the finance branch of the post office must know the average cost of carrying first-class mail. I suspect some statistical department knows the number of pieces of first-class mail which are carried. If so, it would then be only a matter of elementary division to determine the approximate cost of carrying one piece of first-class mail. We know what this figure is in the United States. The minister may recall

that I mentioned that fact earlier during the debate. We know what the cost is in the United States, so why are the figures not available here?

Mr. Cote: My hon. friend will understand that there are 1,500 million pieces of mail to deal with, and on these figures alone it will be seen how difficult it would be to determine the actual cost of one piece of mail from one area to another.

Mr. Stewart (Winnipeg North): But, Mr. Chairman, I merely asked for the average cost. All that is required is to take the total cost of delivery of first-class mail, divide that by the total number of pieces of first-class mail carried, and there you have the answer. I am rather interested in knowing whether this increase is justified on the basis of the actual cost of carrying first-class mail. I think the committee is entitled to that figure.

Mr. Cote: If I understand my hon. friend correctly, he wants to know the cost on one piece of mail.

Mr. Stewart (Winnipeg North): Yes, the average cost.

Mr. Cote: I can give him the breakdown which appeared in the Postmaster General's report if that is what he wants to know. But that does not apply to one simple item.

Mr. Stewart (Winnipeg North): Perhaps I should phrase my question in another way. Assuming there is a costing department in the post office, can that department furnish the amount of profit made by the department through the delivery of first-class mail?

Mr. Cote: The Post Office Department operates on the total revenue. We do not operate on a subdivision of revenues. For example, we may have a surplus in one part of the department and a deficit in another part, but we have to consider, for example, rural routes which do not pay their way, and they have to be considered as part of the over-all picture.

Mr. Stewart (Winnipeg North): I want to consider the parts. The minister has told us we may have a surplus in one service and a deficit in another branch of the service. That is quite likely, but I want to know whether in that department dealing with the first-class mail there was a deficit or a surplus. It seems to me incredible that the Post Office Department should not have some costing method whereby they can establish which part is making money and which is losing money. I would like to know the profit made out of the transportation of first-class mail in Canada. I appreciate that there will be a deficit here and a surplus there, but I am concerned only with the department carrying first-class mail with which this legislation is concerned. What is the profit made today in carrying first-class mail in Canada?

Mr. Cote: The revenues of first-class mail amounted to 46·9 per cent of the total cost. The cost of first-class mail is 45·2 per cent, leaving a surplus of 1·7 per cent of the total cost.

Mr. Stewart (Winnipeg North): So that the carrying of first-class mail at the present time resolves itself into a profit for the department. Is that right?

Mr. Cote: Of 1·7 per cent.

Mr. Stewart (Winnipeg North): Not 1·7 per cent, surely. It would be almost double that, in view of the fact that we are dealing with something less than 50 per cent of total cost. But I know what the minister means. Can he tell us what the loss is in the department from the transportation, let us say, and the delivery of newspapers, second-class mail?

Mr. Cote: $15 million.

Mr. Stewart (Winnipeg North): We have a figure in dollars and cents of what the loss is in this one department. May I have a figure in dollars and cents of what the profit is in the carrying of first-class mail? We know the loss on second-class mail is $15 million. What in millions or in hundreds of thousands is the profit on first-class mail?

Mr. Cote: We will work that out.

Mr. Fulton: While the minister is working out that sum, I should like to go back to this extraordinary, shattering and, I might also say—

Mr. Cote: $2,110,000.

Mr. Fulton: —sweeping suggestion that the House of Commons has just received from the Postmaster General in answer to the point raised by the hon. member for Winnipeg North Centre. We have just learned that, in addition to the increase on letter mail, there is to be a one-cent increase on all postcards. That is the first time that news has been given to the house. Not only is it the first time it has been given to the House of Commons but it is the first time that it has ever been hinted at; and the government, in the persons of the Postmaster General and the Secretary of State, adopt the extreme attitude: "Well, we have always had the power to do it under the Post Office Act so why should you be surprised that it is now being done?" Mr. Chairman, I regret to have to use strong words to so agreeable a minister but I say that what the government is doing

here has not been very far short of obtaining the consent of the house to this legislation by a form of false pretences.

Some hon. Members: Oh, oh.

Mr. Cote: Mr. Chairman, I think the hon. member should withdraw those words.

The Chairman: I do not think they should be used.

Mr. Fulton: I said what they had been pursuing is not very far short of obtaining the consent of this house to legislation by false pretences, and there is nothing there to withdraw. I will now demonstrate the basis for my statement.

Mr. Cote: If you put it that way—

Mr. Fulton: There is nothing unparliamentary in what I have said, and what I have said is strictly accurate. I wish to proceed to show the basis for my statement.

Mr. Cote: Mr. Chairman, on a question of privilege, I ask that the words be withdrawn.

The Chairman: I would ask the hon. member to withdraw the words "false pretences" if he is applying them to the minister.

Mr. Fulton: Speaking on this question of privilege, Mr. Chairman, I submit that there is nothing inherently unparliamentary in the words "false pretences". I was careful in what I said. I said that the government has been not very far short of obtaining the consent of this house to legislation by a species of false pretences, and there is nothing to withdraw. The statement is accurate in every respect.

Mr. Cote: I am very sorry—

Mr. Fulton: And the words not being unparliamentary in themselves, there is nothing to withdraw.

Mr. Cote: Mr. Chairman, I am sorry to persist. I would not insist if my hon. friend had not implied, in his own phrasing, that we had acted under false pretences. I am very sorry to be compelled to insist that he should withdraw those words. It is unparliamentary to speak in that way and he knows very well that it is unparliamentary.

Mr. Fulton: I know perfectly well that it is not unparliamentary, and the words themselves are not unparliamentary. They are not indecent and in themselves they are not unparliamentary. I do not say that the Postmaster General has been guilty of false pretences. I thought about what I was going to say before I said it, and in what I have said there is nothing unparliamentary. Just because the Postmaster General insists, Mr. Chairman, I can assure you that I do not regard that fact as sufficient reason for withdrawing the words.

The Chairman: Order. The question is whether the hon. member has used offensive words against either the committee or any member thereof. I listened carefully to the words used by the hon. member for Kamloops. He framed his statement very carefully. But at the same time the question resolves itself at times into whether an offence has occurred. The minister has indicated that he takes it in that way. I must maintain order in the committee. In view of the manner in which this discussion has proceeded, I hope that the hon. member for Kamloops will co-operate by withdrawing the words in so far as they apply to the minister or to the committee.

Mr. Fulton: Mr. Chairman, I appreciate the spirit in which you have put this matter before me, and I shall try to reply in the same spirit. I wonder whether I am correct in presuming, from what you have said, that you do not find the words "false pretences" in themselves to be unparliamentary but that you are suggesting that if there was any intention on my part to say that the Postmaster General personally has been guilty of false pretences, you would have to ask me to withdraw.

Mr. Cote: Or the house.

Mr. Fulton: I accept that statement, sir, and I would point out that I have not said that the Postmaster General has been guilty of false pretences. I do not consider that such a statement would be within the limits of parliamentary order and therefore I did not say that. What I said was that the government has obtained the consent of this house to the legislation by a practice which falls not very far short of false pretences. If the Postmaster General thinks that in those words I intended to imply that he personally had been guilty of false pretences, I assure you, Mr. Chairman, and him that such was not my intention.

Mr. Cote: Or the government.

Mr. Fulton: The words were used in a sense which I think should be accepted, in the strict and literal sense, by the committee and by the Postmaster General and should not be taken as imputing bad motives to one individual. I have said that the statement I made was accurate in every particular and I shall now proceed to show the basis of that statement.

The Chairman: Order. I take it that the hon. member withdraws the remark in so far as it refers either to the minister or to any member of the committee.

Mr. Fulton: Yes. I have stated quite candidly that I have no intention of implying false pretences with respect to the Postmaster General. The basis of the statement that our consent to this legislation was obtained without our appreciating what we were being asked to consent to is to be found at page 1107 of *Hansard*. This bill is based upon a resolution which the Postmaster General introduced for the government on January 14. The resolution said that it was expedient to amend the Post Office Act to increase the rates of postage on letters posted in Canada from the first day of April, 1954. The resolution referred exclusively and entirely to letters. Nothing was said about postcards there or any other form of mail. In explaining to the house why they were asking for approval of the resolution and of the legislation which would be based on it, the Postmaster General explained that they were anticipating a deficit of $13½ million. As reported at page 1102 of *Hansard* he went on to say this:

> Expected net revenues from the increase in postage rates will be approximately $14 million, leaving only $500,000 to take care of possible normal increases in the price of basic materials . . .

And so on. It is true that in those words he said: "Expected net revenues from the increase in postage rates". While I think it was only logical to expect that we would take the words as applying to the increase resulting from this bill—that is this increase —nevertheless I realize that a loophole or an escape-hatch, if you like, was left in the words used here "the increase in postage rates", not this increase.

Mr. Knowles: Read the minister's very first sentence.

Mr. Fulton: But when you read on and come to page 1107, you will find this paragraph, which I submit stands by itself. The Postmaster General had again gone over the factors which made up this anticipated deficit of $13½ million. He then said:

> Those three items alone account for $13,500,000. If we agree that those expenditures should be made, then we have to have the funds to make them. We propose to get those funds by means of this increase, as we think it is the most equitable way to do it.

"This increase" refers to the increase that would result from the resolution then before the house, which resolution was approved and on which this legislation is based. The Postmaster General told us that they needed $13,500,000 extra to cover the anticipated deficit. He told us this $13,500,000 would result from this legislation, and it was on that basis that the government asked the house to support the bill now before us. Now we are told that it is not this legislation alone that is necessary to cover the increase, that there are going to be other increases in postal rates, other increases which are not hinted at, other increases the possibility of which was at the time definitely excluded if the words of the Postmaster General are given their normal meaning. He said that "this increase" was expected to cover the anticipated deficit.

It is on that basis, sir, that I made the statement that the government obtained the consent of the house to this legislation by something which falls not very far short of false pretence. I have now shown that these words were conclusive and that my statement is thoroughly justified. Therefore I think the government must agree that it has followed a most reprehensible course in its relationship and dealings with the house so far as this legislation is concerned, and I submit without further ado that the Postmaster General should withdraw the bill and not proceed further with it at this session.

Mr. Cote: I want to calm my hon. friend. He was excited to the point where he was somewhat overeager with his words.

Mr. Fulton: Not at all. The words were strictly accurate.

Mr. Cote: May I refer my hon. friend to the statement made by the Minister of Finance on Tuesday, December 8. His statement was quite clear.

Mr. Knowles: Choicely worded.

Mr. Cote: He said, as found at page 691 of *Hansard*:

> A general increase of one cent per ounce over existing rates.

If my hon. friend would read again what was said at the time I think he would be satisfied. May I also say that the increase of one cent on postal cards represents a small fraction of one per cent of all revenues. The only purpose is to keep the rate on postcards in line, as we have always done in the past in the same circumstances.

Mr. Fulton: The Postmaster General has referred to the words of the Minister of Finance. The statement of the Minister of Finance was made on December 8. The Postmaster General introduced his resolution on January 14, and he did not rely on the statement of the Minister of Finance. He did not

say: That is the basis of it. He did not quote it and then sit down. He gave his own explanation as to why this legislation was sought, and I am asking him about his words, not about the words of the Minister of Finance. What other interpretation can be placed upon his words—"We propose to get those funds by means of this increase"? Those are his words. It is on the basis of that statement that I say, sir, that this practice is most reprehensible, that the bill now before us should be withdrawn, and that the situation should be laid before us fully and frankly so that the house may have the advantage of all information before being asked to make up its mind on this proposal.

Mr. Cote: I think my hon. friend should know that the statement I made is absolutely in line with the discussion of the bill, and when he realizes that the increase on postcards represents, I repeat, only a very small fraction of one per cent of revenues he will understand that when I said we needed this increase in revenues I meant the whole amount of the increase necessary. What I have said today should not come as a surprise. It has always been the practice in the past that when there was an increase in the postage tariff there was an increase—

Mr. Fulton: May I ask the minister—

Mr. Cote: Will my hon. friend let me finish, please? I think his mood will become quieter in the discussion of this matter if he will look at the past history of the postal administration. He will find that every time there has been an increase we have also kept the rate of postcards in line by increasing it. This is done by virtue of the rule cited by the hon. member for Winnipeg North Centre, and I did not say anything about it on the bill because the purpose of the bill is only to increase the postal tariff.

Mr. Knowles: The minister was so eager to tell us, wasn't he?

Mr. Cote: No, no, no—

Mr. Pearkes: No, no—that is right.

Mr. Cote: It had already been said in the statement by the Minister of Finance. When we were discussing the bill some of my hon. friends on the other side went a little outside it. We did not object but we thought this discussion should be limited to the bill and we still think so. We are now discussing the clauses of the bill, and I am ready to do so. I have no objection at all to stating what we are going to do. As a matter of fact, I think I was answering a question asked by a member on the opposite side and I misunderstood the question. I said there would be a general increase. I believe he was asking me about second-class mail and I misunderstood him. If you will read *Hansard* you will see what I said at the time. I said there would be a general increase because that has always been done in the past. There is nothing to be surprised about.

Mr. Philpott: One point has been raised this afternoon that seems to me to require a few more words. Reference has been made to casual labour, and we have to make a decision on what basis we are going to use casual labour. I do not think the average member of parliament is competent, without more information, to say whether we would be better off to employ a whole extra permanent shift, but if we are going to have casual labour working one day a week then surely the inference that has been drawn, that students are somehow or other not as competent as other labour, is most unfair to those who are students. I know that in my part of the country, and I am certain it is the same elsewhere in Canada, there are thousands of people who are able to obtain a high school or university education only because they are able to work in their summer holidays, their Christmas holidays and part-time during the week. I for one think it would be a very happy outcome if, as a result of changing the postal law so as to grant the five-day 40-hour week to all permanent postal employees, a large number of students were enabled to obtain work and thus helped to pay for their higher education.

Mr. Knowles: Let us get back to the other question. The Postmaster General suggests that this is just a routine change that comes about automatically. If that is the case, I think it is passing strange that he did not make a routine reference to it in the course of one of the several speeches he has made on this question. He also tries to make the point that when rates on first-class letters go up rates on postcards also go up automatically. Naturally I have not had a chance, since this bombshell was exploded this afternoon, to check the history to see whether that is the case, but I draw this point to the attention of the Postmaster General. At the present time a two-cent rate applies on postcards and unsealed letters, and on Christmas cards in—

Mr. Cote: Unsealed letters are not first-class mail. It does not apply to unsealed letters.

Mr. Knowles: I am saying that at the present time the two-cent rate applies on postcards.

Mrs. Fairclough: Three cents.

Mr. Cote: Three cents.

Mr. Knowles: One of the disadvantages of the franking privilege is that we do not always remember how much these things do cost. The point I am making stands in any case.

Mr. Cote: There are two different kinds of postcards.

Mr. Knowles: There are some items that go for two cents and some for three. The three-cent postcard rate is to be moved up automatically to four cents. The Postmaster General says that is routine. But he has to do it under section 6 (d) of the Post Office Act. In other words, he has to pass a regulation which it is within his competence to do. I am glad he is not automatically making the same increase in the two-cent rate. He might have done it. Surely, if one says that one rate goes up automatically and the other does not, that is hardly being consistent.

How do we know that next December the Postmaster General will not make a regulation increasing the two-cent rate? People would then find they had to pay three cents or four cents to mail their Christmas cards. Nevertheless, that can be done by regulation under section 6 (d). The Postmaster General, with the assistance of the Minister of Finance, is trying to make a great deal out of the fact that the Minister of Finance made a covering statement on December 8, 1953. I have quoted it two or three times, so the minister did not help the Postmaster General by drawing his attention to it.

My point is that the statement did not convey to the people, in fact I doubt if it conveyed to ten people in the House of Commons outside of the cabinet, the realization that it included an increase on postcards as well as on letters. He said there would be an increase of one cent over existing rates. My point is that we were entitled to think that since the bill referred to only one matter, that is what the Minister of Finance meant by his statement of December 8.

Mr. Abbott: I did not refer to letters in my statement; I referred to first-class postage rates.

Mr. Knowles: The minister is technically correct. He could take the matter to court and prove that he did not say anything that did not cover the extent to which the government has gone in its proposals. I suggest that, even though the Minister of Finance and the government could show they were technically correct, they have not played fair with the House of Commons or the Canadian people in this whole episode.

Let me go back again. I was trying to prompt the hon. member for Kamloops when he referred to the Postmaster General's statement on January 14, 1954, at page 1102 of *Hansard*. This is what the minister said; these were his opening words:

> Mr. Chairman, this resolution proposes an amendment to the Post Office Act to increase the rates of postage in the way indicated in the resolution itself, namely:

Then, he quoted the resolution, and the resolution mentions nothing other than an increase in the rate on first-class letters. I read again what he said:

> . . . this resolution proposes an amendment to the Post Office Act to increase the rates of postage in the way indicated in the resolution itself, . . .

Later on in that same column, after outlining the deficit which, according to his calculation, would amount to $13,500,000, he said:

> Expected net revenues from the increase in postage rates will be approximately $14 million, . . .

I submit, Mr. Chairman, that all of us in the house had the right to assume, when the Postmaster General said he proposed to increase the rates of postage in the way indicated in the resolution itself, and when he said he proposed to raise $14 million by means of that increase, that all that was being talked about was an increase in the rates on letters.

Then, as the hon. member for Kamloops has pointed out, that statement is underlined again in the words of the Postmaster General as recorded on page 1107 of *Hansard* for January 14, 1954, when he said:

> We propose to get those funds by means of this increase, . . .

I submit, Mr. Chairman, that if there were any way of securing a poll of Liberal members we would get the opinion from them that all the way along the house was led to assume that what was being talked about was an increase on letters only. It is hardly playing fair with the house for the Postmaster General or the Secretary of State to say now that no reference was made to this on the resolution stage because there was no occasion for it. I have looked over the speech delivered by the Postmaster General on the motion for second reading. He went all over the lot and dealt with most of the arguments advanced on this side in considerable detail. There was ample scope for him to tell us, if he cared to do so, that along with this increase that was being made by a change in the statute, there would be this so-called automatic increase in the rate on postcards.

He did not choose to do so. I repeat, Mr. Chairman, that in the 12 years I have been here I have seen this house treated this way

a good many times, but seldom have I seen a proceeding which seemed to me to be quite so unfair. The minister says it is routine; it is automatic. It is not even that. Under section 6(d) of the Post Office Act the Postmaster General has to make a regulation. I am looking at the section to see whether or not he has to obtain the approval of the cabinet. He does not even have to do that. Talk about wide powers! Where is the member for Prince Albert? The Postmaster General can simply make a regulation. It does not follow automatically because parliament has approved of this bill, if it does so against the violent protests of the opposition. It has to be done by an overt act of the Postmaster General. I submit, if he is not prepared to agree to the suggestion being made from this side of the house, that this bill should now be withdrawn, at least he and his colleagues should get together and make a categorical statement to this house that they will not exercise the powers conferred upon the Postmaster General under section 6(d) of the act to raise rates of postage on postcards.

The minister says it is only a small percentage of the total, but that does not remove the insult to this parliament nor the unfairness to the Canadian people. I think the least that should be done is for the government to say that that increase will not be made.

Mr. Cote: I should like to refer the hon. member to *Hansard* for January 15, 1954, page 1161. I am referring to a question asked by the hon. member for Dauphin, and I quote:

> A further question has reference to a part of the discussion to which I believe the Postmaster General has not replied, unless I missed it. The question has come up repeatedly in connection with second-class mail not being included in the proposal before us. I suppose there must be some reason why the increase is for first-class mail only. In view of the fact that it has been pointed out that we are losing money on second-class mail, from a cost accounting standpoint, while we are making a profit on first-class mail, would the Postmaster General tell us why he is not proposing an increase in the rate on second-class mail?

Then, I answered as follows:

> According to statute, parliament has to decide about any increase in the rate on first-class mail. However, we may take it for granted that it is a general increase of one cent all along the line.

Mr. Knowles: Don't stop there.

Mr. Cote: That is the end of the answer.

Mr. Knowles: No, it was not. Read on.

Mr. Cote: The point I want to make is that there is no bombshell, even in the mind of the hon. member for Winnipeg North Centre, because if there were any bombshell he would not ask the question.

[Mr. Knowles.]

Mr. Knowles: I will leave that to the people.

Mr. Cote: You may make all the fuss you want—

Mr. Knowles: But who can stop you?

Mr. Cote: —but that information has been available since January 15. The surprise hon. members are evincing now is not justified if one refers to the answer I have just quoted. Of course, I misunderstood the question the hon. member put, but the answer is there. I thought he was asking if there had been a general increase and I was answering that question. Following my answer, the hon. member said:

> Either the Postmaster General did not understand my question or I did not understand his answer.

He was right, but I was right also in my answer to the question because I thought he was asking another question. And then I said:

> I do not understand what my hon. friend is saying. Does he ask whether we are going to increase the postage rate on newspapers?

Then the hon. member for Dauphin said:

> Anything which would fall within the definition of second-class mail.

To that I answered no. I am reminded that on January 15 in reply to a question which I understood referred to implementing a general increase, I answered yes; and it is right there in this answer. My hon. friend, whose talents I admire, is certainly today overdoing it a little. He is not so much surprised as he is claiming now, because he had an answer to the very question he is asking today.

He knew before, or he should have known on January 15, if he understood well the statement made by the Minister of Finance a long time before. The principle is that it is a general increase in the rate all along the line. We always considered that in the past. There is no surprise to be felt at these facts, because one is made by statute through a bill. The resolution is introduced only to introduce the bill, and the increase in postage is made through the rules and regulations he has just cited to the house.

I think the question is very clear, and we should be most surprised by the surprise shown by my hon. friend.

Mr. Knowles: Let us get this straight. The hon. member for Dauphin on January 15 was not asking about postcards. At one point the Postmaster General misunderstood him, and thought he was. And I give him full credit for this: he did not give a false answer; he gave a correct answer to what he thought the hon. member's question was.

I was here at the time. None of us realized that in the minister's mind the question of postcards had come up, because we knew that in the mind of the hon. member for Dauphin the whole question related to newspapers and periodicals. But immediately the hon. member for Dauphin got the Postmaster General back on the track with respect to the question then at issue, newspapers and periodicals, and the Postmaster General made it clear that there was to be no change with respect to them.

Frankly, I remember the exchange very well, and I thought it was just a case of confusion, because the Postmaster General was talking about an increase of one cent all along the line, and then said that there was no increase for newspapers. So I simply wrote off that statement that it was an increase of one cent all along the line, as being a bit of confusion in the mind of the Postmaster General.

He can now quote it to show that at no time did he give a false answer to a question. But it just shows the position, that until today there had never been a direct question specifically naming postcards and asking as to what would happen to the postage rate thereon. And when that direct question has been put to him we have an answer which I submit is something of a bombshell not only in terms of the one cent involved, but in terms of the relationship between the government and parliament.

Mr. Abbott: If my hon. friend is interested in postcards, why does he not ask about them, in this long debate.

Mr. Coldwell: I understood it is the intention of the department to carry all first-class mail by air. Is that right? Is first-class mail to be carried by air? What is the position?

Mr. Cote: Yes; where there will be an advantage in delivering, and where—

Mr. Coldwell: Then that is right?

Mr. Cote: And where the service is available, of course.

Mr. Coldwell: I understand that. And may I ask this question: is it the intention to carry postcards as well?

Mr. Cote: Yes.

Mr. Coldwell: That has not been so in the past, has it?

Mr. Cote: Yes.

Mr. Coldwell: Have postcards been carried, where delivery could be made, by air?

Mr. Cote: Christmas cards were carried by air, in tremendous volume.

Mr. Coldwell: I understood it was only letters.

Mr. Cote: No, postcards as well.

Mr. Coldwell: That is news to me.

Mrs. Fairclough: On that question: is it not true that formerly what was carried by air mail was first-class one-ounce mail?

Mr. Cote: First-class mail will be carried, not third-class.

Mrs. Fairclough: You mean the new regulations say that all first-class mail shall be carried by air, where that is deemed advantageous?

Mr. Cote: Yes.

Mrs. Fairclough: But, prior to this, what has been carried by air mail was all first-class one-ounce mail. Is that correct?

Mr. Cote: First-class mail up to an ounce, previously.

Mrs. Fairclough: Then, to go back again to the earlier deal—

Mr. Knowles: "Deal" is right—and from the bottom of the deck.

Mrs. Fairclough: Apparently I was right the first time. I am referring to postcards which go for two cents, or which carry only a greeting—I think the regulations stipulate five words or less. Is that classed as first-class mail?

Mr. Cote: Third-class.

Mrs. Fairclough: And then, I take it, all circular mail is third-class, all unsealed?

Mr. Cote: Yes.

Mrs. Fairclough: Not to be increased under these rates?

Mr. Cote: No.

Mr. Zaplitny: I wish to follow up the question which was put to the Postmaster General, since my name has been brought into the discussion. I submit he should have continued the quotation from *Hansard* at page 1161, because the last part is the important part. The Postmaster General quoted certain questions and his replies, but I suggest he should have gone farther. I shall put it on the record. I said:

> Would the Postmaster General explain why he is not asking for an increase in the rate on a class of material on which we are losing money, from a cost accounting standpoint, and why he asks for an increase on a class of mail on which we are now making a profit?

To this the Postmaster General replied:

> The increase we are asking will be made all along the line in first-class mail. I do not want to make a speech about the way news is spread and publicity is required by the people. That has been discussed by several members. We are not increasing the rate on newspapers. However, I shall make inquiries as to exactly what the increase will affect, and I may make a detailed report on every item. At the moment, however, I do not think there will be any increase on newspapers.

Those are his words. On January 15, replying to my question after he understood what was behind it, he undertook of his own volition to make an inquiry and to report in detail on every item. That was on January 15.

Since that time the Postmaster General has spoken on at least three or four occasions in this debate, perhaps more than that, and he has never given the house, item by item, a report on what would be affected by the proposed increase—not only what is proposed in the present bill but also the other matters which entered into the discussion.

I submit the Postmaster General had plenty of opportunity. He was not asked; he made the offer himself to make this detailed report on every item affected. He has not done that. Today the matter was brought up by the hon. member for Winnipeg North Centre. The minister tells us that he has authority to make an increase in the postage on postcards, without reference to this bill—which is correct. But certainly he should have followed out his own suggestion or his own undertaking made on January 15 to give the house every item which would be affected, so far as the increase is concerned.

I believe there is no way the minister can talk his way out of this spot. I think the gracious thing would be to admit that he has made a blunder, and to take the house into his confidence. It is not too late. Let him give the committee now a full report, item by item, of what is being contemplated, so that we will have the whole picture. I do not think it is fair to hon. members to have to wheedle out every piece of information, one piece at a time, and to have it given almost grudgingly by the Postmaster General.

In view of the fact that the Minister of Finance and the Secretary of State have also entered into this debate from time to time, I believe it is time they got together and drew up a detailed report of what is involved in this whole matter. Let them take the house into their confidence, and tell us what is involved. Otherwise there can be no other impression than that you are trying to hold back as much information as it is possible to hold back and disclose it only when you are being backed into a corner. There is no getting away from the fact that the five-cent stamp is taking an awful licking and the minister is stuck with it now.

Mr. Cote: The hon. member for Dauphin has indicated at least another time where I mentioned that there was to be an increase all along the line. He read it himself. And I repeat that the increase we are asking will be made all along the line on first-class mail. I said it previously: "However, we may take it for granted that it is a general increase of one cent all along the line". I do not think that either my hon. friend or the hon. member for Winnipeg North Centre should be surprised, since it is all in *Hansard*. If my hon. friend was waiting for a general report, why the surprise?

Mr. Zaplitny: May I ask a general question on this point? I was not the one who indicated any surprise.

Mr. Cote: At least I am satisfied that you are not surprised.

Mr. Zaplitny: A number of hon. members have already shown surprise, and I could not improve on the language they used. Is it not a fact that on January 15 the minister did undertake, in his own words, to give a detailed report to this house item by item as to what this will involve? Had he followed out his own undertaking, which he had ample opportunity to do, he would not find himself in the position in which he is at the present time. That is the whole point. He has failed to carry out his own undertaking to inform this house as to what is involved in this increase.

Mr. Fulton: It is but right to point out that surely the Postmaster General's own words were not accurate on that occasion, as I understand them, because this increase is not being carried out all along the line. I think the Postmaster General has just said that there are some types of postcards the rates on which obviously will not be increased.

Mr. Abbott: First-class mail will be increased.

Mr. Cote: First-class mail. I think my hon. friend is a little confused by the other kind of postcards which belong to the third-class mail.

Mr. McIvor: There are two things that I have been thinking about. When this bill was being debated it was said on several occasions that the rate was being increased in Canada but not in the United States. I find in the *Globe and Mail* today that the United States administration are seeking an increase of $240 million in the postal rate. They are increasing the first-class mail rate

by one cent, the same as we are. They are increasing the air mail rate by one cent and we are not. The other thing is this. As I listened to the hon. member for Winnipeg North Centre tell of his wonderful discovery in finding out that the rate on postcards was to be increased, this thought came to my mind. If it is a wonderful discovery, it is not to the discredit of the minister; it is to the discredit of the opposition that they did not find it out when they let the bill go through.

Mr. Stewart (Winnipeg North): I should like to pursue a matter which I raised earlier with the minister. There may be some confusion here, but I must admit it has me baffled. He told us that the percentage of revenue for first-class mail was 46·9 per cent. He did not tell us what percentage that was of and perhaps that is the reason for the bafflement. Then he went on to tell us that the cost was 45·2 per cent, which would leave a profit of 1·7 per cent. Then he goes on and figures out that profit which would be about $2,200,000. Well, if $2,200,000 is 1·7 per cent, obviously 100 per cent would be about $130 million in revenue from first-class mail. We know that the revenue from first-class mail is certainly not $130 million. That is the total revenue of the Post Office Department. I have worked out the figures on first-class mail in one case on $2 million and in the other case on $130 million. It all depends which figures one is taking the percentage on. If the minister would give me what figures he is taking this on, then we shall know precisely what profit we have made.

Mr. Cote: I think that was done. Instead of 45 per cent it was 44·9 per cent.

Mr. Stewart (Winnipeg North): I will take 45 per cent. What is that the percentage of, if I might ask? What are the figures?

Mr. Cote: The first one is the percentage of all the revenue; the second one is the percentage of the total cost.

Mr. Stewart (Winnipeg North): When my hon. friend says "of all the revenue", is that $129,268,000 or $129,268,000 plus other receipts, or the figure which is shown on the first part of his report, which is $129 million less $17 million, which is the figure my hon. friend is using?

Mr. Cote: You may take $129 million.

Mr. Stewart (Winnipeg North): Then it is 46·9 per cent of $129 million and therefore 45 per cent of—

Mr. Cote: It is 44·9 per cent of the total cost.

Mr. Stewart (Winnipeg North): Of $105 million.

Mr. Cote: The difference is 2 per cent. If you take 2 per cent of $129 million it gives you $2,580,000.

Mr. Stewart (Winnipeg North): I can translate that 2 per cent into $5 million.

Mr. Cote: Five per cent?

Mr. Stewart (Winnipeg North): I can translate that 2 per cent into $5 million. What I have been trying to find out is, what is the profit made in the operations of that part of the post office dealing with the transport of first-class mail? I submit that the profit is about $5 million not the $2 million which was suggested.

Mr. Cote: Would my hon. friend give me his figures?

Mr. Stewart (Winnipeg North): Yes, I shall be very glad to.

Mr. Cote: It would be easier for me to follow him by looking up the figures.

Mr. Stewart (Winnipeg North): Take $129 million; 47 per cent of that is roughly $60 million. Is not that right? Then we take $105 million, which is your costs, your expenses.

Mr. Cote: What is $105 million?

Mr. Stewart (Winnipeg North): The $105 million is that which is shown on page 1 of the report of the Postmaster General under the total expenditures.

Mr. Cote: Yes; I think you are taking two different figures.

Mr. Stewart (Winnipeg North): I want to find out what I am taking.

Mr. Cote: You must be taking not only the gross revenues but the net revenue. There is a little confusion there. You must not take both at the same time. You cannot take net revenues and gross receipts or vice versa.

Mr. Stewart (Winnipeg North): I agree with the minister. I said that. Do I take $129 million or $129 million after the deduction of the $17 million, which would bring it down to $112 million?

Mr. Cote: You may take $112 million, but you have to follow suit.

Mr. Stewart (Winnipeg North): I want it treated in the way you treat it in your report.

Mr. Cote: You may take it either way, but when you consider gross you must take gross on both sides, revenue and costs, and the same thing with net revenue and net costs.

Mr. Stewart (Winnipeg North): My hon. friend is quite right, but he must admit that I am taking it as it is shown in the report. Let us work this out. On the basis of these figures, the Post Office Department might be making a profit of $7 million or $8 million. Is that right? I want to be sure I have the right figures. I do not want to do the minister an injustice.

Mr. Cote: I do not know. You are suggesting that we must do this and that. It does not come from the air. Can my hon. friend explain where he gets this?

Mr. Stewart (Winnipeg North): It comes from the report of my hon. friend at page 1 where he states that the receipts for the year amounted to $129 million. Is that right?

Mr. Cote: Yes; that is gross revenue.

Mr. Stewart (Winnipeg North): Thereafter, in the same section, it states that certain payments were deducted amounting to $17 million, which brings it down to $112 million. Is that correct?

Mr. Cote: Yes; I follow you.

Mr. Stewart (Winnipeg North): Then on the same page there is an item of expenditure, other than those paid by statutory authority, etc., totalling $105,553,000. So we take 47 per cent of $112 million and 45 per cent of $105 million, and on that basis I submit there is a profit of $5 million.

Mr. Cote: Just a moment.

Mr. Hansell: While these two gentlemen are figuring this out—they will not want to listen to me—I am going to suggest to the Postmaster General and that he and the hon. member for Winnipeg North have dinner together.

Mr. Knowles: Will you pay for it?

Mr. Hansell: I was going to say that I would be glad to accompany them. They could then get together and figure this out and the minister can tell us the result at eight o'clock. I am suggesting this because if a constituent in any part of the country read today's *Hansard* I am quite sure he would be completely in the woods. With so many figures being thrown about he would not know what is happening.

Mr. Stewart (Winnipeg North): I have worked the figures out and I believe the profit is around $5 million. I am simply trying to find out what the profit is.

Mr. Cote: I would be glad to invite the hon. member to dinner, but before I do so I think we should get together and use the same figures. If my hon. friend will be patient I shall try to determine whether we are using the same figures.

Mr. Stewart (Winnipeg North): Does the minister agree I am using the correct figures?

Mr. Cote: I cannot tell you offhand.

Mr. Stewart (Winnipeg North): If I give him his own report perhaps he can tell me.

Mr. Cote: If I understand you correctly you are using the figure of $17 million, which is also an expenditure.

Mr. Stewart (Winnipeg North): But you cannot have it both ways. You take these expenditures off revenue.

Mrs. Fairclough: If the Postmaster General will permit me, he has said that the revenue for first-class mail is approximately 47 per cent and the expenditure in connection with first-class mail is approximately 45 per cent. If you take 47 per cent of the revenue as shown on the statement and deduct 45 per cent as an expenditure, as shown on the statement, then first-class mail shows a gross profit of $13½ million and therefore a net profit of $6 million.

Mr. Cote: I do not believe—

Mrs. Fairclough: That means that on first-class mail you have a gross profit—

Mr. Cote: May I suggest that you sit with the hon. member for Winnipeg North and try to have your figures agree with his, and then I will take you both out to dinner.

Mr. Knowles: Add the two together and you will probably get the correct figure.

Mr. Nicholson: Mr. Chairman, in connection with these figures before us I wonder if the Postmaster General can explain why his annual report a year ago showed a revenue on first-class mail of 46 per cent with expenditures at 29 per cent, which means a profit of 17 per cent. Why in one year's time should there be such a difference? Last year he had a very interesting chart in his report which showed the revenue from each branch. If he looks at that chart he will find the figures I have mentioned. On that basis I worked out, from last year's report, a profit of $20,700,000. Could the Postmaster General comment on that?

Mr. Cote: We have to charge first-class mail with the cost of air transportation. Only first-class mail is delivered by air to distribution points.

Mr. Nicholson: In your report a year ago you show the figure of 46 per cent for revenue and 29 per cent for costs. Can you explain why in one year there is such a difference

between the two figures? I might add that it is very difficult to obtain this annual report, but the Postmaster General was good enough to make it available to me in his office.

Mr. Cote: If my hon. friend will look at this chart which I am sending him—I hope he will send it back to me afterward—I think he will understand the problem.

Mr. Regier: Mr. Chairman, being a new member of this house I think it will be understandable if I express some surprise. I am amazed to find that after four days of discussion on the relative cost and revenues of first-class as against second-class mail we are still in the position that the Postmaster General, complete with his assistants, is unable to answer approximately how many millions of dollars we made on first-class mail.

However, the early part of this afternoon's discussion revealed another and to me a very serious matter. We are told this increase is necessary because of the 40-hour week. Can we take it that under the 40-hour week business will go on in an efficient manner? The minister indicated before that when business reverted to the 40-hour week it just locked up shop. There is no need to lock up shop. One business after another keeps open on this basis. When a business goes on a 40-hour week it gives the same efficient service on Saturday that it gives on Thursday. The service is equally efficient on each of the six days of the week. Is the hiring of so-called casual labour going to give us six days of efficient postal service?

What is worrying me is the type of service we are going to get. Overtime was mentioned as a possible solution. I am wondering what a unionist would think if, upon being given a 40-hour week, an employer announced at the same time, "We would like to see you work overtime." I am wondering whether this is going to be a bona fide 40-hour week.

Mr. Cote: We never said anything of the kind.

Mr. Regier: One thing that has me especially worried, and I have not yet got the answer, is whether the 40-hour week is going to mean that the post office wickets are going to be open only 40 hours a week.

The Deputy Chairman: I certainly do not want to interfere in the discussion any more than the committee feels is necessary, but I believe that only the cost of the mail service is applicable to the clause we are now dealing with. Discussion relating to rates on letters is in order, but changes in working hours or other matters affecting operation which are not necessarily a part of this question should be held over until the Postmaster General's estimates come before the house. If I may be permitted to say so, there must be other matters for discussion relating to this particular clause.

Mr. Fraser (Peterborough): I think the Postmaster General himself said that on account of this 40-hour week this increase in the rates was necessary.

The Deputy Chairman: I would not want the committee to think I was endeavouring to steer them away from costs in relation to the 40-hour week. I understood the questions which were raised by the hon. member were as to the salaries that would result to the workers on the implementation of the 40-hour week, a subject which I do not think is pertinent to this matter.

Mr. Cote: If I may answer my hon. friend who just spoke, I may say that there will be no restriction in the services by implementing the five-day 40-hour week.

Mr. Fraser (Peterborough): I just want to ask the Postmaster General a few questions. I understand that these increases are only in connection with first-class mail. Will there be any increase in connection with registering a letter? There will be, of course, with this increase from four cents to five cents, an increase of one cent but will there be anything else?

Mr. Cote: There will not be any further increase for registered letters.

Mr. Fraser (Peterborough): As to special delivery letters, will there be anything extra?

Mr. Cote: No.

Mr. Fraser (Peterborough): And as to C.O.D. parcel post or postal notes?

Mr. Cote: No.

Mr. Fraser (Peterborough): The minister says there will be nothing extra there. All right. There is another matter that has been brought to my attention and it is this. On account of the increase from four cents to five cents, many people are going to be rather stuck owing to the fact that with the five-cent stamp at the present time, if it is put about two feet from the average person's eyes the figure "5" on the stamp cannot be seen. That same remark applies, of course, to both the three-cent stamp and the two-cent stamp, as well as to the four-cent stamp, although the "4" is a little bit plainer. But as to the five-cent stamp, I defy anyone, from a distance of two feet, to say just what it is. I wonder

whether the Postmaster General has had complaints with regard to that matter, and if so, what is going to be done about it.

Mr. Cote: I quite agree with my hon. friend. We have trouble with the stamps. If one looks at them from a distance of two feet, it will be found that they are hard to distinguish. However, I may assure my hon. friend that we are now working on new stamps and are endeavouring to provide for better stamps whose figures can be more easily seen.

Mr. Fraser (Peterborough): I have another question. The Postmaster General has mentioned the fact that extra help will be brought in for Saturdays. Who are employing that help? Will that be the postmasters in the various localities, or will that be done under the patronage system? I heard somebody around me here give a little snicker—

Mr. Fulton: They know the answer.

Mr. Fraser (Peterborough): They certainly know the answer.

Mr. Cote: Since my hon. friend has raised this matter may I say to him that we are not proceeding under any patronage system in the figurative sense or meaning of that word. As a matter of fact all the members of the House of Commons are coming to my office recommending somebody.

Mr. Stewart (Winnipeg North): Oh, no.

Mr. Cote: Oh, yes.

Mr. Stewart (Winnipeg North): I never have.

Mr. Cote: My hon. friend who said "no" might be one of the first who does it.

Mr. Stewart (Winnipeg North): I do not.

The Deputy Chairman: Order. I think it will be the consensus of the committee that the matters which should be discussed are those involving cost and finances on which the rates of postage can be based. It is my opinion that the methods of appointing personnel—whether they are correct or not—are not subjects for discussion under this section of the bill.

Mr. Knowles: In other words patronage is out of order, and it is about time it was.

Mr. Pearkes: I want to ask a question and make an observation with regard to postage areas which are referred to in this bill. When the Minister of Finance was speaking he told us that the application of the so-called drop letter rate to rural routes, as is now usual in the cities, will be extended; that is, that rural routes will be placed under the same conditions as if the letters were being delivered along a walk, in so far as being posted in one post office is concerned.

Mr. Cote: That is right.

Mr. Pearkes: I am pleased to hear that. No doubt the Postmaster General will remember that I recommended that procedure just a year ago. I am pleased that he has taken this step, although I did not expect that he would raise the rate on drop letters in order to conform to the rates along the rural mail routes.

There is one anomaly which I want to bring to his attention, and it is this. In those areas adjacent to a large city, many years ago there sprang up a number of small, independent, accounting post offices. I do not refer to the sub-post office of the main post office in the city but rather to separate, independent, accounting post offices on the fringe of the large city area but outside of what has been the ordinary three-cent mail area.

Many of those post offices receive their letters for distribution from the rural mail courier, who having dropped the letter bags there then proceeds on up his route and distributes the letters in the ordinary mail boxes along the route, returning and again picking up the letters at that independent post office in order that they may be taken to the main post office for distribution. As a general practice no letter boxes in which the rural mail courier places the letters are permitted within a limited distance—a quarter of a mile—of the post office.

The situation arises that where there is one of these fringe post offices, for anybody within a radius of a quarter of a mile from that post office to receive a letter there it will have to have five cents put on it, whereas if you go on a mile or two miles further, that letter will be delivered by the same man who brought the letter out to these independent post offices. For four cents he will deliver a letter right at the door of the people living along the road. That situation does not seem quite right.

I can give you an instance in my own constituency. No doubt the officers in the minister's department will be able to look it up. I refer to the post office at Colquitz. On one side, within a quarter of a mile radius, is the city of Victoria where patrons will receive letters at their doors for four cents. On the other three sides there are rural mail routes, R.R. 3, Victoria, where the people will receive their letters for four cents. But in that small island surrounding

Colquitz post office, everybody will have to pay five cents, both those who send a letter out and those who send one in. Quite obviously that is an anomaly which perhaps has not occurred to the Postmaster General and which I feel should be corrected.

I happen to know that in some of these post offices in the fringe area they issue as many as 100 two-cent postage-due stamps every month because letters have not had adequate postage placed on them.

It is a very serious problem for people living in such areas as I have described. Some of these rural routes are quite extended. In my constituency there are rural routes covering a distance of at least 20 miles. It is going to be a great benefit for people living at the end of the 20-mile route to receive their mail at the same rate. But I have other independent post offices in the fringe or suburban area who are much closer to the main post office in Victoria. They are within five miles of it.

Let me mention another post office, Royal Oak. People there will have to pay five cents, yet they are surrounded by areas where people will only pay four cents on letters posted in Victoria. I would ask the Postmaster General to consider some way by which people living in the fringe areas may receive the same benefits as those living along rural routes. If a rural mail courier carries mail and drops it at a post office, whether it is a sub-post office of the city or an independent post office in the same area, and then proceeds along his normal rural route it seems to me that the people living in what I have referred to as a five-cent island should be treated in the same way as those who live farther out along rural routes.

Mr. Cote: My hon. friend will understand that this was a concession given to the rural routes, and I presume that he agrees we did right in extending this privilege to rural routes. On the other hand, it must be admitted that there must be a line of demarcation somewhere. Otherwise there will not be any administration at all. The fact that we are allowing a four-cent rate on these rural routes does not justify us in extending the same privilege to those who have a still better service and who should pay five cents for the carrying of their letters from one independent post office to another. While I am on my feet, may I say that the estimated revenue increase on postcards is $83,000 per annum.

Mr. Pearkes: I am not satisfied with that answer, because it is not a question of extending facilities farther out. It is simply a case of taking in everybody who lives along the rural route. Privileges have been extended to people living on the rural routes at a greater distance than those living in the immediate vicinity of the small post offices. The courier goes right through the area. He is not allowed to deliver letters within a quarter of a mile of the post office. If he could deliver letters along the way right up to the post office, well and good, but there is this five-cent island.

Mr. Cote: Would my hon. friend suggest that we apply the five-cent rate to rural routes?

Mr. Pearkes: Of course not. I am suggesting the very opposite. I have already said that I recommended the granting of the same rates to rural routes as to drop mail, but these post offices on the outskirts of the city are actually on the rural routes. That is the point I want to make. The stores in which these small post offices are located are right on the rural routes. Up to a point a quarter of a mile from such stores residents along the routes will receive their mail for four cents, but within a quarter of a mile of such a local post office the people will have to pay five cents. When you go on another quarter of a mile the people again get their mail for four cents. The thing is ridiculous.

Mr. Cote: My hon. friend is basing his argument on distance. We do not charge on the basis of distance. We charge on the basis of handling. If, for instance, a letter is sent from here to Halifax there are many handlings.

Mr. Pearkes: I am not talking about Halifax.

Mr. Cote: My hon. friend will understand that there must be a place where we should stop, and if we cannot put a line of demarcation somewhere, no administration is possible. We have extended the privilege of the four-cent rate to rural routes, with which I understand my hon. friend is wholly in agreement, but he must accept the consequences of the implementation of the four-cent rate on rural routes. Again I must tell him an argument on the basis of distance is not one which we can consider. On the contrary, the matter is decided on the basis of handling the volume of mail involved.

Mr. Pearkes: The only thing I can say is that the privilege should be granted for the whole of the route. Do not leave islands along the rural route where people will have to pay five cents.

Mr. Cote: This is not part of a rural route.

Mr. Pearkes: It is a rural route. It is right on a rural route. I have given you the name of one post office and I can name half a dozen more.

Mr. Stewart (Winnipeg North): Perhaps by now the minister has had a chance to refer to his figures about which I was speaking earlier, and possibly I may be able to help him. On page 2 of his report there are figures for revenue and figures for expenditure. The revenue figure is $129 million and the expenditure figure is $122 million. I take it those are the two figures to which the percentages had reference. Am I right?

Mr. Cote: I want to make the point clear. My hon. friend is drawing my attention to the year 1952, expenditure $115,629,816.

Mr. Stewart (Winnipeg North): I beg your pardon; I am drawing your attention to 1953 where the expenditure is $122 million and the revenue is $129 million.

Mr. Cote: Oh, $122 million. The surplus there is $6,471,000. We do not now have that surplus, because we lost it through the abolition of the excise tax. Therefore we have to start anew. You cannot take that surplus into consideration because it has entirely disappeared through the abolition of the excise tax. To start with, I want to draw my hon. friend's attention to that point.

Mr. Stewart (Winnipeg North): I would agree with the minister but I think he is in the wrong portfolio. He ought to be minister of fisheries because he is drawing so many red herrings across the trail. All I want to find out is this. The minister has given me a percentage, 46·9 per cent of the total revenue. Does the 46·9 per cent have reference to the $129 million? I am trying to find out what profit is made on first-class mail. I submit that the figure is about $5 million a year. Am I right?

Mr. Cote: The profit is of the order of 2 per cent of the gross revenues.

Mr. Argue: What is the gross?

Mr. Cote: $129 million.

Mr. Stewart (Winnipeg North): It may be in the neighbourhood of 2 per cent of the gross revenue, but when you start breaking down the percentage which the minister has given us and applying it, I still maintain that it comes to about $5 million. But at least we know there is a profit made on first-class mail. I say it is about $5 million, and the minister says it is about $3 million. The minister has said already that there is a loss on second-class mail of $15 million. My question is, why penalize the users of first-class mail another 25 per cent? Why should it be the goose who lays the golden eggs who has to take a 25 per cent increase; why not the users of second-class mail?

Mr. Cote: I understand now the point to which the hon. member is referring. Let me tell him first that I do not want to start a debate within a debate. In 1951 the rates on second-class mail were increased. In every country in the world today second-class mail is carried at a deficit. According to the arguments submitted in 1951, of which there has been some repetition during this debate, it is impossible to have second-class mail pay all the costs of its transportation and distribution.

As I have said, we have a deficit of $15 million, but if we were to make second-class mail pay its way these little publications could not last a day. The publications which could do so would use other forms of transportation and probably keep on doing business. We would then lose the amount of revenue we have from that source, and there would be no advantage to us or to the other parties.

Without going into the details or discussing the principle which has inspired all the countries of the world to disseminate culture and to publicize information, I would say that from a practical standpoint it is impossible to have second-class mail pay for itself. Some of these publications would not last a day, and others would use some other means of transportation. I think I have made myself clear on that point, and I do not want to debate it any longer.

Mr. Fulton: A remark was made in answer to the hon. member for Winnipeg North upon which I should like to comment. I want to say that this is the first time I have ever heard the Toronto *Daily Star* described as culture. I was not rising to deal with that point, however, as I want to deal with the matter of accounting in the Post Office Department. The minister has told us that one of the reasons we require this increase in rates is the $7·5 million loss of revenue resulting from the cancellation of excise stamps and stamps on cheques and notes. He has used the figure of $7·5 million a great number of times as the anticipated loss in a year.

I point out to him that in the introductory passage of the post office report, in the letter of transmittal from the deputy postmaster general to the minister, it is stated that the

expected loss of revenue resulting from this factor may exceed $5 million before the end of the fiscal year.

Now, there is quite a difference between $5 million and $7·5 million. I am not suggesting it be tied down exactly to $5 million. The words used by the deputy postmaster general did not limit it to $5 million, but that is the figure he used and he suggested it would be in that neighbourhood before the end of the current fiscal year. The report is dated August 17, 1953. If he thought it was going to be $7 million why did he not say it was going to be $7 million? I am pointing out the substantial difference between the figure of $5 million and the figure of $7·5 million which the Postmaster General gave.

Mr. Cote: That was the end of August, 1953.

Mr. Fulton: Yes, but he says to the end of the fiscal year, which is March 31, 1954. The budget was introduced on February 19, 1953, and as I recall it stamps on cheques were eliminated immediately. The elimination of those stamps will have been in effect for a full year by the end of this fiscal year. What the deputy postmaster general is saying is that he estimates the loss of revenue within the 12-month period resulting from the cancellation of the stamps on cheques will be at least $5 million. The Postmaster General told us that the loss of revenue is expected to be $7·5 million.

What sort of accounting is there that makes it impossible to know how many stamps were sold for use on cheques in that year? In other words, do they have to wait for a year after the stamps are cancelled to ascertain how many they are not going to sell? Surely they know how many they sold in the year before and can state what the loss in revenue will be. We have a difference of $2 million now.

Mr. Cote: We have no records which would indicate what the deficit will be. We have to wait until the end of the year. In August of last year the deputy postmaster general stated it would be at least $5 million. He was right, because as time has gone by and we have learned more about the whole situation we have found that the deficit will be between $7 and $8 million.

Another aspect of the question asked by the hon. member is that no one informs us whether they are using blue excise stamps or postage stamps on cheques. We do not know. We had no records at all. If we had known we could have said so at the time the deputy postmaster general issued that report. We do not know as yet exactly what it will be, but we do know it will be at least $7·5 million.

We have to face this fact, and there is no other way out. This will at least result in a deficit of over a million dollars at the end of this year. We have to face the facts and report them as we find them. No one holds a record indicating how many people were using blue excise stamps on cheques and how many were using postage stamps. The only possibility of finding out exactly is to wait until the end of the year. So far we know we are going to lose at least $7·5 million.

Mr. Fulton: So the minister has admitted it was known at the time of the budget last year that there would be a resultant loss of revenue to the Post Office Department.

Mr. Cote: Everybody knew we would lose something, but not the extent of it.

Mr. Fulton: During the earlier discussion of this bill I invited certain of the ministers to tell us why, if it were known there would be a loss of revenue at the time the budget was introduced last February, the people were not told it would be necessary to impose an additional tax to make up for that loss in revenue. You will recall that on February 4 the Minister of Finance had just returned from a conference in Australia, and as reported on page 1792 of *Hansard* I said:

> . . . if he is prepared to say he did not know what the loss of revenue was going to be then we would all be glad to hear from him. I do not hear from him and therefore I assume he did know what the loss of revenue was going to be. It would be interesting to know why he did not say before the election that it would be necessary to make up for this loss of revenue after the election by the imposition of an additional tax on the users of the letter service of Canada.

I want the Postmaster General, if he will, to be kind enough to listen to this, because he may remember I asked him a question, and he said he would deal with it. I went on to say:

> I still do not hear from the minister so I assume that the only explanation that occurs to us is the correct one, namely that he did not want to tell the people of Canada before the election that this tax concession was a mere phantasy, that it was introduced for election purposes only, and that the government knew at that time that they were going to demand from the people of Canada after the election that they make good that loss of revenue which was held out to them as an additional bait in the pre-election budget which the minister himself introduced.

Then I indicated that I would be very glad to give up my position in the debate at that stage to the Minister of Finance, if he indicated any willingness or desire to offer

an explanation of why the government took off a tax before the election and put it back on after. I said:

> Does the minister want to explain that?

The minister did not indicate any readiness, and the hon. member for Prince Albert pointed out that you cannot explain the unexplainable. Then I asked:

> Does the Minister of Trade and Commerce and Acting Prime Minister want to explain it?

Mr. Cote: Is my hon. friend reading or is he—

Mr. Fulton: —and the only answer I got was from the Acting Prime Minister:

> We would like you to get on with your speech.

Then I asked:

> Does the Postmaster General want to explain it?

And the Postmaster General replied:

> When I close the debate I will be glad to answer my hon. friend, and I think it will be satisfactory to him.

We have had no explanation as yet as to why the government did not tell the people of Canada why they took a tax off before the election, when they were going to put it back on after the election; and we will be glad to have that explanation from the Postmaster General as to why they did not tell the people of Canada the facts.

Mr. Cote: Mr. Chairman, the hon. member is a little puzzled. Last year when the abolition of the excise tax was brought about we did not know, and I did not know, that we were going to pay $7 million for increased salaries, beginning December 1953. Last year we did not know, also, that we were going to pay $5 million to implement the five-day 40-hour week. So my hon. friend should know, and I am repeating it, that I did not know and he did not know—nobody knew at the time—that the five-day 40-hour week was to be implemented. That was not known until recently. We do not know even now if we shall be in a position to implement it on the 1st of April, if we do not receive the necessary information. But we want to do it.

This is some further evidence that these additional expenditures were not known a year ago. I know my hon. friend is trying to build up a little political case, but this is a factual case. I quoted dates for the implementation of the five-day 40-hour week, the date when the salary increase began—that is the general increase in the postal department on December 1—and certainly these additional expenditures, plus an increase to the rural carriers amounting in all to $13,500,000, have to be paid. If only we could have obtained a "paper" surplus of $6 million, which we were expecting, instead of having a deficit of $7,500,000, then we could have gone on. But eventually we would have had to pay the $13,500,000, which everybody in the house agrees we must pay.

So this repetition of the argument used by my hon. friend does not amount to anything, except that we are still facing the fact that we must pay $13,500,000.

Mr. Fulton: The point is that the minister—

Mr. Brooks: Mr. Chairman—

Mr. Fulton: I would like to follow this up.

Mr. Brooks: It has been followed up for a long time.

Mr. Fulton: It has been; but the explanation, I regret, has not been satisfactory yet, nor has it dealt with the actual merits of the situation; because the minister has kept on saying that one of the reasons we must have this increase in the postage rate is because we are now anticipating a loss of revenue or a reduction in revenue of $7,500,000 resulting from the elimination of the stamp tax on cheques and notes.

That is offered by the minister as one of the reasons for the necessity of increasing the postage rates. But what he has not denied is that they knew at the time of the stamp tax being taken off cheques that they would lose revenue. The minister has not denied it; he said he did know they would lose revenue.

Mr. Abbott: May I shorten this debate—

Mr. Fulton: After I have finished. He advances as one of the reasons we have an increase in postage rates the fact that the revenue was reduced by $7,500,000 owing to a concession which was made in the last budget when, at the time of the last budget, it was never indicated that that concession might have to be made good. I say that does not seem to be a valid argument in support of this increase.

Mr. Abbott: I said clearly in my last budget speech that I expected the loss of revenue from the abolition of the stamp tax on cheques would be about $12 million. We knew what that figure would be, because we knew what cheque clearances were. With all due respect to my hon. friend the Postmaster General and his competent officials, they cannot tell today how many postage stamps were used on cheques, and what their lost revenue is. They have estimated $7,500,000. My personal view is that that is high.

In any case, when the budget was brought down and the stamp tax on cheques was eliminated it was not anticipated that the Post Office Department would show a deficit.

I made it clear what the gross loss would be. Everybody knew there would be some loss of revenue to the Post Office Department in connection with the stamps used on cheques.

So far as I am concerned—and I am sure this applies also to my colleagues—there was no thought of misleading the public in connection with the abolition of the stamp tax on cheques. If it comes out of the Postmaster General's revenue, that revenue has to be made up. That in itself would not have necessitated an increase in postage rates; I am convinced of that.

Mr. Brooks: Now that this matter has been cleared up, I am sure to the satisfaction of the government but not to the satisfaction of the opposition, I would like to ask a question. I understand this increase in rates is to provide funds for the 40-hour five-day week in certain cities of this country, and also to provide funds for rural mail carriers. I think that is correct.

Mr. Abbott: Plus higher salaries.

Mr. Brooks: In listening to the questions this afternoon it was clear to me that certain cities and perhaps some towns in which industries were using the five-day 40-hour week would receive the benefit. I would like to ask the minister whether post office employees in those cities and towns that have not the five-day 40-hour week in industry will receive the same pay. That is, will the mail clerks and mail carriers in those cities where they are going to get this increase receive the same pay as those who are doing the same work in other cities and towns where the increase is not being provided for? Is there to be a discrimination between cities and towns, so far as hours of work and pay are concerned?

If such were the case it would be very unfair to have the increase in certain sections of the country and not have it in others. Would the minister answer my question?

Mr. Cote: I am a little confused by the double question asked by my hon. friend. All employees received a general increase of approximately 8 per cent beginning December 1.

Mr. Brooks: The point is that some of them will be working longer hours. Will the man who is working a six-day week, and who is not in these preferred areas, as we shall call them, get the same pay as the man working in the area where there is a five-day week?

Mr. Cote: Yes. Actually I can say that there will not be any change in the annual payment.

Mr. Brooks: Both will get the same pay?

Mr. Cote: I will not say that both will get the same pay. They might receive different pays, but there is no change in the annual salary.

Mr. Brooks: That is rank discrimination.

Mrs. Fairclough: It seems to me the Minister of Finance has really made a great contribution to this debate, because in the few words he uttered a few moments ago he merely substantiated our argument. All along the line we have maintained that the department does not know where it is. We have maintained all along that the minister does not know whether he is going to make money or lose money. They just simply pull these figures out of the air and say, "We are going to need this $7,500,000 because of the loss we have suffered through the removal of the stamp tax".

The minister does not know whether or not he will need $5 million to implement the five-day 40-hour week. He does not know what it is going to cost. He does not know whether he is going to get labour for $1 an hour or whether he will have to bring back the regular employees to work on Saturdays. He does not know where he is. We have said right along that he does not know and has no idea how much money the department is making. He does not know whether it will lose $12 million, as the Minister of Finance said in his budget speech last year when he removed the stamp tax. The minister does not know whether he will drop $44,500,000 or some other revenue in the Post Office Department, or whether he will lose $7,500,000. He does not know where he is.

I submit, Mr. Chairman, it is about time the Postmaster General withdrew this bill until we can find out exactly what the situation is in this country.

The Deputy Chairman: Shall the clause carry?

Mr. Drew: Before this item carries, Mr. Chairman, I want to deal with two points that came up because they have a bearing on the way in which this whole matter is being dealt with.

The thing that impresses me is the infinite capacity of the minister for inaccuracy. We had a perfectly clear statement as to the reason why this added charge was required,

and now we have the statement of the Minister of Finance that there is nothing in it. We have the statement of the minister—

Mr. Abbott: No, no.

Mr. Drew: We have the statement of the Postmaster General—

Mr. Abbott: If the Leader of the Opposition is going to quote me, please quote me accurately.

Mr. Fulton: The Minister of Finance said it was too high.

Mr. Abbott: It is a matter of opinion. I certainly did not say that there was nothing in it.

Mr. Drew: The Minister of Finance said that the removal of the stamp tax on cheques did not justify this increase.

Mr. Abbott: Will my hon. friend be accurate? I said the increase would not have been made on that ground alone.

Mr. Drew: I submit the minister said there was nothing in that argument. So far as the statements before us are concerned the Minister of Finance has said, with deference to the Postmaster General, that he does not think he knows exactly what the figures are.

Mr. Abbott: No one can; it is obvious it can only be an estimate.

Mr. Drew: We agree with the Minister of Finance 100 per cent. We are certain that the Postmaster General does not know, and those who are advising him do not know. We have had an ample demonstration of it this afternoon; but I want to pass on to one or two other things that have been said because they have some bearing on this whole question. They simply drop figures before the house and say now, be good boys and girls and don't ask questions; just assume that this all-wise government knows what is right and pass this bill without being too much of a nuisance. That is really what the whole contention amounts to. We have had nothing more solid than that come before us since this bill was introduced.

The minister said he dealt with the statement that savings of $377,000 be made by terminating the service of the post office savings bank. He used these words: "The repeated suggestion that there would be a clear saving of $377,000." It is not the repeated suggestion; it is the positive, unqualified statement of J. D. Woods and Gordon that is placed before the house. It was not a suggestion of any member of this house; it was the unqualified statement of J. D. Woods and Gordon after reviewing the whole operation of the post office savings bank, the number of depositors, the number of inactive accounts and various suggestions as to considerations that should be borne in mind. J. D. Woods and Gordon then said:

> If it is decided to wind up the post office savings bank there would be an estimated annual saving of $377,000 per annum, and the field organization would be relieved of much detailed work.

There may be many reasons why the Postmaster General does not think the post office bank should discontinue its service. There may be good reasons why that should not be done, but I submit that the Postmaster General, neither in his own words nor in words that he finds in any other source, should place before this committee the idea that it is only a suggestion that $377,000 could be saved.

What I was pointing out, and what others have pointed out, is that before we are asked to give approval to what amounts to extensive increases in the cost of first-class mail we should know in clear and understandable terms exactly what the government propose to do in relation to these positive recommendations, and why they will or will not accept them. Certainly the suggestion made by the Postmaster General—and it is no more than a suggestion—that there is some other figure that should be borne in mind is not consistent with the findings of people who are highly regarded as accountants and business experts by this government and others.

Then may I refer to the Postmaster General's suggestion that there is nothing in the possibility that he might encourage the posting of mail in other places? Rather lightly he suggests that I engage in other reading than "Alice in Wonderland". Mr. Chairman, I will admit that "Alice in Wonderland" is much more sensible reading than anything I have heard from the minister here this afternoon. It would contribute much more to the understanding of this problem than anything we have had by way of direct answer here this afternoon. The minister knows perfectly well that I said we did not want to see a situation where anybody was mailing letters written in Canada outside of Canada. The minister, however, knows perfectly well that there is no specific law that would be offended by a Canadian posting mail in the United States, and there are thousands of Canadians doing that all the time perfectly legally.

The minister refers to one general provision in regard to international agreements. Mr. Chairman, we have not yet reached the point when a mental interpretation of some term of that kind establishes an offence which

will prevent somebody doing a thing of this kind. There is no law on the statutes which directly affects this situation. All I was doing was offering an illustration of the kind of thing that can result from neglecting the ordinary economic pressures when too high a tax of any kind is imposed.

I would hope that in this case again the Minister of Finance would come to our help and point out to the Postmaster General what his experience was when he put too high a tax on cigarettes. He found that there is some point beyond which the people will not go without being encouraged to follow methods that none of us might approve, but which did avoid increased expenditures. It was in that light, and in that light alone, that I raised this possibility. I am mentioning it only because it illustrates the marked difference between two countries lying side by side, where the general economic conditions are the same. I was seeking to emphasize, and I repeat that what is now proposed places us on a higher cost basis than the United States in regard to a similar service, at the very time we are being urged from all quarters to keep costs down. The Postmaster General has repeated over and over again what it will cost, but we know he does not know, because the Minister of Finance has said so.

Mr. Abbott: I said no such thing.

Mr. Drew: I take the words of the Minister of Finance, and I am prepared to accept them as they appear in *Hansard*.

Mr. Abbott: Do that.

Mr. Drew: The Postmaster General knows there will be an increase, but the Minister of Finance makes it quite clear than in his opinion he does not know the exact amount and that—

Mr. Abbott: No. What I said was that I was sure he did not know the exact amount of loss of revenue from the sale of stamps for cheques.

Mr. Drew: If he does not know the amount of loss he does not know the amount he needs and consequently what the exact increase should be. If he does not know one way he does not know the other way. The fact is that if he does not know how much the loss is we should not be asked to make up an amount he does not know. That is exactly what we are being asked to do on the basis of the statement of the Minister of Finance.

The Postmaster General says there are going to be these increases, and they can only be paid for in one way. But that is not so. These increases can be met in other ways. They can be met by increased efficiency, by the introduction of new methods, and by a number of devices which are employed with success and result in great increase in revenues in other countries. If the Postmaster General would only start a policy of having the kind of stamps printed that would appeal to those who are interested in stamps, and encourage the buying of stamps for that purpose as well as for the ordinary postal services, he could find new sources of revenue.

An hon. Member: The empire games is an example.

Mr. Drew: If he would look at stamps coming from countries one-third the size of Canada and even smaller and see how they introduce attractive new issues, beside which some that have appeared in Canada recently compare very, very unfavourably, he would see ways in which encouragement can be given to new sales of stamps.

In any event, Mr. Chairman, I do not think anything has been said by the Postmaster General which would indicate that any serious attempt has been made to explore the new possibilities that are now before us. The Postmaster General says that the Toronto area accounts for one-fifth of all mail. I would like to know the percentage of mail handled in Quebec, the Montreal district, the Winnipeg district, the Regina district and the Calgary district. I would like to know the percentage in each of these cases so we may know what general effect on savings may be brought about.

Mr. Cote: Mr. Chairman, I shall not take up the time of the committee in order to deny or contradict the statements made by the Leader of the Opposition. I am doing the best I can to explain the situation to him, but he does not appear willing to accept my explanation. On January 15 he said, as reported at page 1151 of *Hansard*:

> There would be nothing illegal in anybody getting in an automobile and driving across the boundary and posting these several thousand pieces of mail for 3 cents apiece and sending them into Canada at the reduced rate, . . .

I told him that that would be illegal. He came back again and said it would not be illegal. I then quoted the postal act and explained to him that it was illegal, but he again insisted that this was not so. The hon. member's official called my office this morning asking about this matter and, according to information I have received from my officials, they informed him that it would be illegal.

I would advise my hon. friend to call my department before he makes any similar statements, not after.

The Leader of the Opposition has suggested that we might increase revenue by catering to philatelists. In actual fact we are already doing so. I will not pretend that we have the world's most attractive stamps, certainly not in regard to the last issue. I know it is only human to err, but you cannot hold the postal department responsible for all the mistakes made concerning the issue of stamps, particularly as regards the last issue. Philatelists already consider our stamps worthy of collecting, and we are already making money in that field. In 1952-53 we made approximately $282,000 in that way, and we are redoubling our efforts in that regard. We hope that in the near future you will see some evidence of the interest the department has displayed in this field.

The Leader of the Opposition wishes to know the varying revenues of post offices. I shall read a few. For example, Abbotsford, B.C.—

Mr. Drew: I asked for definite places.

Mr. Cote: I have the amounts here. The figure for Abbotsford is $43,416.

Mr. Drew: I asked for percentages. You gave the percentage in the case of Toronto.

An hon. Member: Abbotsford is a village.

Mr. Cote: I presume the hon. member will be able to work the percentages out for himself if I give him the totals. Amherstburg $29,290; Amos $40,580; Antigonish $47,177; Arnprior $33,007; Arvida $38,931, and I will go on—

Mr. Lennard: Mr. Chairman, the minister has not mentioned one place referred to by the Leader of the Opposition.

Mr. Cote: Quebec city $2,482,655; Montreal $15,722,772. May I ask my hon. friend what other places he had in mind?

Mr. Drew: Yes, Winnipeg.

Mr. Cote: Winnipeg, $6,713,897.

Mr. Drew: Since the minister has given these figures, what is the figure for Toronto?

Mr. Cote: Toronto is $23,883,460.

Mr. Drew: What was the total?

Mr. Cote: For what?

Mr. Drew: For the whole of Canada.

Mr. Cote: $129 million.

Some hon. Members: Carried.

Mr. Drew: Just before this is carried, Mr. Chairman, may I say this. I am not going to labour the matter beyond this, but I am going to get this point quite clear. The minister has said that someone called his office to find out what provision in the act dealt with the possibility of mail being posted in the United States, and this is what was given. This is section 5, subsection (j) of the Canada Post Office Act. It reads as follows:

> Subject to this act, the Postmaster General shall administer, superintendent and manage the Canada post office, and, without restricting the generality of the foregoing may
>
> (j) make and give effect to any postal agreement or arrangement with the government or postal authorities of any country or independent postal administration and pay out of postal revenue any remuneration or indemnity thereby provided;

Does the minister know of any other provision in the act that applies to this subject? That is the one he quoted in the house the other day. Is there any other one?

Mr. Cote: No. This is the section which gives the power to the Postmaster General to enter into arrangements with different countries.

Mr. Drew: Yes.

Mr. Cote: And all the countries belonging to the universal postal union make an agreement. We made this agreement. In the circumstances we would not apply the section of this agreement. The United States would. They would return the letters sent that way in bulk, or ask for an increase in the rate.

Mr. Drew: That was exactly the point I am going to make. All this agreement provides is that the postmaster may do certain things. In this case the postmaster who would have to do it would be the postmaster in the United States, and there is no such provision at the moment. I repeat what I said before, namely that at the moment, as the matter stands, this is not a specific law dealing with this subject. In view of what the Postmaster General has said, I can only say that no matter how genially he may present this subject, if his advice is that this constitutes some law that would make it an offence to follow this course, then he had better get some other advice.

Mr. Cote: No. I think my hon. friend is confused. I am very sorry to have to repeat to him that there is a signed agreement between Canada and the United States; both countries belong to the universal postal union and they have signed an agreement. That is exactly what I am trying to tell my hon. friend and have been trying to tell him since the debate first started. I am not doing it just to be disagreeable to him. It is the truth.

I am very sorry to tell him that he is in error when he says that it is not illegal. I hope I have made myself clear. It is not

that I want to be disagreeable to my hon. friend. It is because we have an agreement with the United States of America. The United States is a country belonging to the universal postal union, as is Canada. Both have signed this agreement. Both having signed this agreement they must abide by its terms, which forbid exactly what my hon. friend suggests.

Mr. Drew: Unless the minister misinformed us unintentionally the other day the agreement does nothing of the kind, because he told us that the agreement deprecates this practice. That was the word he used and it is the word to which I refer. If that is all the agreement says, there is no law against this practice.

Mr. Cote: I also said "specifically provided", and explained what I said today.

Mr. Knowles: Before this section is voted on, there is one other point I should like to draw to the attention of the Postmaster General. I hope it does not take as long as the point I raised earlier this afternoon. Indeed, if the minister will assure me that he will have this matter looked into, he will be pleased to find that I will accept that assurance.

As matters stand, it seems to me that if the rate of postage goes up as is provided in this bill, certain business firms in this country are going to experience an even greater increase than the increase in the postage rate itself. It is not often that I take the time of the house in bringing to the attention of the government a point affecting business, small or large, but when something has been brought to my attention which seems to be unfair, it matters not to me who is suffering, I think that case should be brought out and any injustice corrected.

I understand that Pitney-Bowes of Canada Limited sells stamping machines to business firms of this country, small and large. The use of these machines by business firms obviously saves the Post Office Department certain costs because actual stamps do not have to be supplied. When a firm buys one of these stamping machines from Pitney-Bowes of Canada, I understand that is not the end of the story. After buying the machine the firm finds that it has to rent from Pitney-Bowes a meter; it cannot buy the meter, but it must rent it. I find further that Pitney-Bowes charges these business firms not only the rental for the meter but also 6 per cent of the amount of postage used over a certain point.

The minister can see right away what the result of the change in postage rates is going to be. For instance, here is a firm that does a certain amount of business in terms of dollars and cents at the present time. The postage rate goes up 25 per cent. That means that if they do the same amount of mailing, their costs will be 25 per cent higher as to the postage but they will pay 6 per cent more on that increase by virtue of this arrangement with Pitney-Bowes.

It has been represented to me that this arrangement has the approval of the Post Office Department. I should like to ask the Postmaster General if he will have that arrangement reviewed in the light of this increase in postage which, as I say, is going to be pyramided so far as these business firms are concerned. As I say, I am relying on information that has been brought to my attention. If the minister tells me that the Post Office Department has not approved of that arrangement, particularly of that 6 per cent charge, I suggest that the Post Office Department has a responsibility to see to it that the matter is reviewed so that a firm is not allowed to pyramid an increase for which the government is responsible. That is carrying exploitation too far.

There is one other aspect to this matter. The Postmaster General is pretty smart if he can carry on all these conversations with his officials and listen to me at the same time.

An hon. Member: Go ahead.

Mr. Knowles: There is one other aspect to this matter. Some time ago—I am not just sure how long—I understand the Post Office Department used to allow the business firms that used the stamping machines a 2 per cent reduction on the cost of postage, representing what the department saved in not having to supply the stamps. However, I am told the 2 per cent discount—and "discount" is the word I should have used previously—was discontinued a few years ago.

My point is this. If the Postmaster General is powerless to review the matter of the 6 per cent rake-off that Pitney-Bowes charges on this extra postage, the Post Office Department is certainly in a position at least to reinstate that discount to firms which use these machines and thereby effect a saving to the Post Office Department itself.

I have tried to state this briefly. My request is that the Postmaster General have the matter reviewed, but I would be pleased to have any comments he cares to make now.

Mr. Cote: I am informed that at no time have we had anything to do with the relations between Pitney-Bowes and its clients. The only thing with which we are concerned is to see that the machines are not tampered with. As far as the 2 per cent discount is

concerned, it was not a saving but what was allowed to vendors as a discount on stamp sales.

Mr. Knowles: Explain.

Mr. Cote: I am informed this has been withdrawn because it would give Pitney-Bowes an advantage in selling this service, and we did not agree to that.

Mr. Knowles: As I indicated earlier, I will not take the time of the house to pursue the matter now. I realize that the Postmaster General has had to seek information from his officials rather than speak from his own knowledge. I still feel that the matter is worthy of further review, particularly in view of this increase, and remembering that the percentage this firm charges amounts to a pyramiding of the increase to a still higher amount. Rather than a negative statement from the minister telling me now that nothing can be done about it, I would prefer to have his agreement to look into the matter after the bill has been disposed of, and perhaps it can be dealt with again later in the session.

Mr. Cote: I have no objection to having another look at the matter, but these are services which are sold by a third party to a fourth party. Actually we have nothing to do with it except to see that they do not rob the department. If Pitney-Bowes wants to sell a service and somebody else wants to buy it they are entirely free to do so. However, I shall be glad to have another look at the situation.

Mr. Knowles: I thank the minister for that, and I point out that the increase in postage helps the third party and harms the fourth party.

Mrs. Fairclough: The minister says the Post Office Department has nothing to do with these postage meters, that it is a matter of agreement between second and third parties. But the Post Office Department does have regulations respecting the use of these machines. It prescribes that they may be used only in a certain way and by certain people. Therefore the relationship is not quite as remote as the impression left by the Postmaster General would convey.

Mr. Cote: Excuse me. If my hon. friend will allow me, I was talking about the matter of price as between the client and the vendor of the service. I know we have some regulations about the value of stamps sold in these meters, because we want to know what is going on; but when I was answering the hon. member for Winnipeg North Centre I had reference to the price of the service as between the seller and the buyer.

Mr. Knowles: Mainly with reference to the 6 per cent. That is what I want the minister to look into.

Mr. Diefenbaker: The other day I asked the minister whether or not the departmental officials had given consideration to the degree to which there might be a diminution in the use of the facilities of the post office by reason of the 25 per cent increase in the postage rates. Some years ago an increase was made from three to four cents, or an increase of 33⅓ per cent, and if my recollection is not in error the income was considerably lower than had been anticipated on the basis of the facilities being used to a similar extent. The minister said there were statistics in connection with the application of increases in postage and the degree to which the law of diminishing returns applies with respect to such increases.

I should like the minister to give in detail the experience in the past and set out the anticipated income based on like use of the facilities, and the actual income in the year immediately succeeding such increases.

Mr. Cote: There is no actual way of ascertaining that. We cannot say what is in the minds of the people. Business will have to be done as usual, and we do not expect any substantial decrease on account of the increase in the postage rates.

Mr. Diefenbaker: Of course the only way you can determine your expectation is on the basis of experience, not on the basis of hope. I asked what was the estimate on the previous occasion of the anticipated increase in revenue by reason of the increase in the postage rate, and to what degree that hope was achieved in the final results.

Mr. Cote: The only information I can give is that at the time of the last increase in 1943 the revenue before the increase was $59,175,137, and in 1944 the revenue increased to $73,004,398. I wish I could give more accurate information, but the last time there was an increase in rates revenue rose from $59 million to $73 million.

Mr. Diefenbaker: Perhaps the minister would explain it in detail so we can understand it.

Some hon. Members: Six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Barnett: Judging by some of the discussion this afternoon, Mr. Chairman, this seems to be a day on which various members of this house are being surprised, shocked and horrified. I have to confess that I was rather horrified at some of the things I heard this afternoon, especially when the Postmaster General blandly admitted that on the one hand they were planning to introduce this five-day 40-hour week, and on the other hand they were going to sabotage it. I have to admit that I was somewhat horrified by that admission. I am referring, of course, to the suggestion that in introducing the 40-hour week, they were going to allow and encourage people to work overtime on the sixth day.

I am just wondering whether the minister realizes what a hornets' nest he is going to stir up when the news is let out that the Postmaster General is going to encourage this procedure. I am suggesting that if he does not seriously consider what I am saying, and consult with some trade unions in this country as to their opinion on this matter, the results may be serious. There are a few people in Canada who recall that the eight-hour day and the 40-hour week are matters over which blood have been shed, over which lives have been lost. They are not things to be taken lightly.

The Deputy Chairman: I should like the hon. member to believe that I have not the slightest desire to interfere with his argument if it can be helped, but as he knows the clause we are discussing deals with the rates of postage on letters and first-class mail. A discussion of the labour aspects of the Post Office Department would be in order on the Postmaster General's estimates. I would ask the hon. member to assist the Chair and the committee by connecting his remarks with the clause we are considering.

Mr. Barnett: I would respectfully suggest that it was as a result of the suggestion of the Postmaster General that postage rates are linked to the introduction of the five-day 40-hour week that the discussion took place in the committee this afternoon. This matter was raised and was discussed. I would suggest that if this 40-hour week is going to be taken lightly or brushed aside, then one of the major reasons the minister has advanced for introducing this legislation will go by the board. I wonder if he realizes the significance of the suggestion that employees who are going to receive the benefits of the 40-hour week are going to be encouraged to work overtime. I wonder if he realizes just what a hornets' nest may be stirred up by this action.

I would suggest he might ask anyone who has had experience as a chairman of a plant grievance committee or as an industrial personnel officer, as to the nature of one of the major grievances. I suggest that the answer he would receive would be that this question of overtime, and of allowing people who are on a regular 40-hour week to do overtime work, is one of the biggest headaches they have. I must admit I was greatly disturbed to hear the minister suggest that practice was going to be encouraged with the introduction of the 40-hour week in the postal service. I wonder if he is aware of the insidious sort of pressure that can be brought to bear to break down the 40-hour week once it has been established.

The Deputy Chairman: Order. I am going to ask the hon. member if he will, as I think the committee would desire him to, direct his remarks to the clause we are discussing. The merits and demerits of certain labour practices cannot, I submit, affect the cost of carrying first-class mail. The last thing I want to do is to restrict any fair discussion of the clause. I know our discussion has wandered far afield, but I would request the hon. member to come back to the clause we are supposed to be considering.

Mr. Barnett: It is not my desire to prolong this discussion unduly. Perhaps I have said enough along this line to indicate my views. I was going to relate my remarks to the suggestion that was made this afternoon by the hon. member for Vancouver South concerning the hiring of casual employees at what may be lesser wages than would normally be paid. This would affect the cost of operation of the post office. I should like to say that efficient administration and general economy in the post office should cause the Postmaster General to look very carefully at this idea of introducing casual employees.

The minister tried to suggest that where the 40-hour week came into effect in industry everything was shut down on Saturday, so there was no parallel there. I would suggest to the minister that he might look at a good many industries which do not do that, where they have had experience in integrating around the clock operations into the five-day 40-hour week. I suggest that industries such as mining, where the concentrator plants work around the clock, and pulp and paper plants which operate around the clock, are industries into which they do not bring casual employees for the week

end. There are also the power plants across the country where the same condition applies.

I would agree that in certain limited areas, such as university towns or something of that sort, there might be merit in the suggestion of the hon. member for Vancouver South that bona fide university students be considered for casual work. I would suggest to the minister, however, that the areas where such an arrangement could be efficiently introduced are very few. I believe he should give consideration, just as most industries do when they introduce the shorter work week, to creating an integrated operation with fully qualified employees.

Mr. Winch: In rising at this stage of the discussion I want to say that in my estimation clause 1 should be opposed by all members of this house until such time as the Postmaster General shows evidence of need for an increase in the rates on first-class mail, and until he has carried into effect his own principle that those who use the mails shall pay.

I am not going to take up the time of the committee in reiterating previous arguments which have shown that millions of dollars have been lost on second-class mail, or because departments of government are not paying their share of the cost of sending their mail, which amounts to about $4,700,000. What I wish to discuss at this time is something I do not believe has been mentioned as yet in any phase of the discussion. My point is that clause 1 involves an increase in the postal rate on first-class mail, the only part of the postal operation that shows a profit; and I say that increase should not be allowed so long as the minister follows the principle he has stated, that those who use the mail should pay for it. He should not allow a condition under which some who use the mail do not pay anything at all.

The phase of the matter I should like to draw to the attention of the committee at the moment is this—and I am certain my information is correct—that under the present Post Office Act, or under the regulations, any weekly newspaper in any town of less than 10,000, throughout the length and breadth of the Dominion of Canada, can have its papers distributed by the Post Office Department completely free of charge.

I am certain that the minister, being a serious man, will recognize that this does not seem right. It is not right to ask the house to place an additional burden involving $14 million according to the minister's figures, on one part of the operation, while at the same time there are regulations allowing businesses to make use of the mails without any charge whatsoever. I think if a study were made of weekly newspapers across Canada we would find that they are in a pretty good financial position, yet we find that first-class mail must subsidize another form of postal delivery that contributes nothing toward the cost of the postal service.

Not only is that the policy of this government; it has been the policy in the past. I know from personal examination of the records that about four years ago, I believe it was, a weekly newspaper in a town with a population of more than 10,000 was charged for its deliveries. However, the postal service gave an undertaking that if when the census was taken it was shown that the town did not have a population of 10,000, this weekly newspaper would receive a refund of all the money it had paid. When the census was taken it was found that the population was less than 10,000, and a refund was made. I have the records to show it.

I am not going to repeat arguments that have been made before. But this is a brand new one, and it is completely contradictory to the so often declared principle of the Postmaster General himself that those who use the mails should pay for them. Yet in every town of under 10,000 population the Postmaster General allows use of the mails for no charge whatsoever.

Until this phase of the matter is more carefully investigated, and until the minister puts his own declared principle in operation, we must oppose clause 1 of the bill which asks for a further increase in the only profit-making endeavour of the postal service in Canada.

Mr. Coldwell: Is what the hon. member has said a correct statement?

Mr. Cote: It is in the statute; it is the law.

Mr. Coldwell: It is the law?

Mr. Cote: Yes.

Mr. Winch: Of course it is the law, and the law is laid down by parliament. It is also the law of the government. If the Postmaster General is sincere in his declaration of principle, then he should bring in an amendment to the statute and see that it is carried out. But, oh, no; he does not do that at all. He forgets second-class mail and this deficit. He forgets the use of the postal service made by these people for no charge at all. He just amends the law—and he is the man who can do it, of course. He just brings in an amendment to the law which will add a burden to first-class mail and postcards. I say it is not fair in any way whatsoever.

Mr. Zaplitny: I would ask a question for purposes of information. I notice that in clause 1 it states these rates are to apply to letters posted in Canada for delivery in Canada. Does the same rate apply to letters posted in Canada for delivery in some other country? If so would the minister place on the record those countries which come under the rate stated in this clause?

Mr. Cote: I gave that information this afternoon. This bill refers to mail posted in Canada for delivery in Canada.

Mr. Zaplitny: But some letters mailed in Canada go to other countries. For example, some go to the United States.

Mr. Cote: As I said this afternoon, this domestic rate applies to mail posted in Canada for delivery in Canada, the commonwealth, the western hemisphere and France, if I remember correctly.

Mr. Zaplitny: Is that the complete list?

Mrs. Fairclough: Do I understand that when the bill says "Canada" it means the western hemisphere and commonwealth nations?

Mr. Cote: I think I have already given that information.

Mrs. Fairclough: I am just asking it.

Mr. Cote: I repeat that this bill concerns letters posted in Canada for delivery in Canada, and letters posted to the commonwealth, the western hemisphere and France.

Mr. Winch: May I ask the Postmaster General why he is prepared to amend the law to impose an increase on this profit-making part of the service, and will not amend it in respect of the law concerning those who are not paying anything at all?

Mr. Cote: I do not amend the law; parliament does that.

Mr. Winch: I am sorry; I did not hear that.

Mr. Cote: I said that I do not personally amend the law. It is parliament which is amending the law.

Mr. Knowles: You bring in the bill.

Mr. Winch: If the Postmaster General can bring in an amendment, why does he not do it?

Mr. Howe (Port Arthur): If the hon. member wishes to bring in an amendment, he can do it.

Mr. Knowles: The Minister of Trade and Commerce knows that it would be out of order. It is a money matter.

Mr. Winch: On a point of order, can a private member in the House of Commons bring in an amendment which deals with revenue or expenditure?

Some hon. Members: No.

Mr. Winch: Can I? I am asking. The Acting Prime Minister has said I can do it. This time I am asking you, Mr. Chairman, whether I as a private member have the right to bring in an amendment.

The Deputy Chairman: The hon. member should know that deciding points of order in advance is not within the competence of the chairman.

Mr. Ellis: I should like to ask one question. Something was said today about the five-day week. This is one matter I do not think has been cleared up satisfactorily. The minister said the intention was to get casual help to deliver the mail on Saturdays. When I first learned the five-day week was going into effect I assumed that would mean that the Post Office would hire sufficient additional personnel to rotate the staff so regular postmen would be delivering mail each day.

I think this is a very important matter because, apart from the efficiency of the service, which would not be helped by bringing in people on a casual basis, the principle here is very important, as the hon. member for Comox-Alberni pointed out. I do not want to see this situation develop in the future that when postal employees ask for adjustments in wages they are told by the Postmaster General that if they want more money all they have to do is carry mail on Saturdays and work six days. I can see that situation developing. I think the five-day week means a five-day week, and that employees who are working a five-day week should be paid adequately for this period of employment.

I do not like a principle involved under which you are going to say to postal employees who work their five-day week that if they feel they want a little extra money they can come to work on Saturdays. I believe that as a general principle when overtime is worked it should be paid for.

The Deputy Chairman: Order. I have tried to make it as clear as I could to the committee that in my view the merits or the demerits of the labour practices of the Post Office Department are not within the competence of discussion under this section. In so far as they bring about increased costs they are, but the results which may ensue to labour, in so far as labour practices are concerned, are not within the competence of

a section which deals entirely with the rates on first-class mail. I think the committee as a whole would agree that that is a reasonable attitude to take, and I would ask the hon. gentleman not to follow that particular line of discussion.

Mr. Ellis: You can understand what I was trying to get at, Mr. Chairman. One of the reasons advanced for the introduction of this bill had to do with the 40-hour week. Therefore I suggest that my remarks in connection with this matter are pertinent to the point under discussion. However, in deference to your ruling I shall not pursue this matter farther. But I do want to ask the Postmaster General this question and then I shall drop the matter. Is it the intention of the Post Office Department to continue indefinitely on the basis of employing casual help, or is it the intention of the Post Office Department, within a reasonable length of time, to recruit sufficient full-time personnel to institute the 40-hour week?

Mr. Cote: With deference to your ruling, Mr. Chairman, I may say to my hon. friend what I said before. This is a device that will permit every employee to have his Saturday off. The principle of the five-day 40-hour week is covered in this. Previously when people asked for it they thought that they should work only five days, 40 hours, and we are giving them exactly what they asked for; but to those who, having been granted this privilege, feel that they would like to work on Saturdays, we are not denying that opportunity.

Again I say that for the efficiency of the service it is more practical to hire some people who would work on Saturday only, because otherwise it would force every new employee to learn five, six or a dozen new walks every time. This would not be practical in the scheme I have outlined. I have already explained that the walks will be served by the same employees, except that on Saturday the employees taken on for that day will be accustomed to the walks and the efficiency of the service will not suffer.

Mr. Ellis: Is the minister not aware of the fact that the normal practice is that where an employee is working a 40-hour week the time worked in addition to 40 hours is in effect overtime and should be paid for at overtime rates of pay, time and a half?

Mr. Cote: I shall not discuss that, Mr. Chairman. This is not a question of overtime. The principle of the five-day 40-hour week is that an employee should not work more than five days, 40 hours. He deserves a rest, and we are giving him a rest. The new employees who will come on will work the time necessary to do the job. I think I have said enough for my hon. friend to understand what I mean.

Mrs. Fairclough: The Postmaster General says this is on a voluntary basis. How can you call it a voluntary basis when the postmaster himself sends out questionnaires and says to his regular letter carriers, "Will you sign the enclosed questionnaire?" The questionnaire reads something like this: "Will you work on Saturdays for four hours? Will you work on Saturdays for eight hours at $1 per hour? If you will not work on Saturday you will be on call." Then there is a covering circular which says: "If you do not volunteer to work on Saturday, then you are at the call of the postmaster, and provided time can be made available to you to make up the time which you have given as overtime you will be compensated, but if not you will be paid." Is that a voluntary system?

Mr. Cote: Mr. Chairman—

The Deputy Chairman: Order. I do not think I should allow the Postmaster General to answer the question, because it does not relate to the section we are dealing with. It is a question as to the way the Post Office Department treats its employees which, as I have said so often, will be open to discussion on the Postmaster General's estimates. I submit to the hon. member that the answer could not affect the rate charged on first-class matter, which is the subject we are discussing.

Mrs. Fairclough: Nobody but the Postmaster General brought in the matter of the cost of instituting the five-day 40-hour week. The Postmaster General made a great point of the fact that this was the main reason for instituting an increase in rates. I submit, Mr. Chairman, that anything that is pertinent to the work of the employees is pertinent to this debate. And for a chairman or a Speaker to call members to order on a point which has been brought in by the Postmaster General is, in my opinion, distinctly unfair.

The Deputy Chairman: I hope I have made it clear to this committee before, and I shall endeavour to do so again, that any aspect of the 40-hour week which relates to the costs of the Post Office Department is certainly subject to discussion, but the treatment by the Post Office Department of its employees is not. I think the discussion we have had this evening and the long reply by the Postmaster General have shown to the committee that we have got a long way from the subject of increasing the cost of first-class mail.

Mrs. Fairclough: Mr. Chairman, I think you are quite right. My remarks at the resolution stage were justified, when I asked the Postmaster General whether, when the rest of the civil service was given an increase in wages and was given the five-day 40-hour week, there was an increase in the charges for other services. The answer was no, there was not. But now the Post Office Department is instituting the five-day 40-hour week, and the word "cost" comes up. Now we must increase the postal rate because the post office must pay for this. That is all right. So the post office must pay for this, eh! We listened to what the hon. member for Vancouver East said tonight; and we have seen what this debate has shown, namely that there is a hidden subsidy to the T.C.A.

Mr. Knowles: And to C.P.A.

Mrs. Fairclough: And to a good many others. There is the free postal service to departments that are dispensing all kinds of propaganda and departmental advertising to all and sundry, whether it is useful, whether it is welcome or not. Much of it finds its way immediately into the wastepaper basket, probably without even being opened. These are charges against the Post Office Department, yet the Postmaster General says that the post office must pay for this.

We said in the very first instance that the people of Canada do not expect the Post Office Department to pay for itself and in addition have to carry the huge load which it is being asked to carry, as has been shown by the debate so far.

Mr. Gillis: Mr. Chairman, I want to say a few words on this increase in the postage rates, with particular reference to the 40-hour week. The minister has based practically his whole argument for the increase in rates on the establishment of the 40-hour week, and he accepts the principle of the 40-hour week. It is hoped that the implementation of the 40-hour week will in no way impair the service; but the policy announced by the minister, and apparently agreed to by some of the critics I have listened to, is that the gap that will be caused by the establishment of the 40-hour week will be filled by casual labour or by students.

In my judgment the filling of the gap on Saturday with casual labour or with students will definitely impair the service. A survey conducted in the United States on the very same question led to the conclusion that it will take a casual employee twelve hours to do the work that is ordinarily done in eight hours by a regular employee. The object of the 40-hour week is to reduce hours, create more employment and at the same time in no way impair the efficiency of the service.

I wonder whether the minister would be prepared to do what was done in the United States under similar conditions, and what is agreed to by most of the people in the country I have heard express an opinion on this subject. That is, the post office should hire one person for every five walks there are in the postal department. After investigation in the United States this was the method they adopted to overcome the difficulty, and they found that their service was in no way impaired.

I think it is the answer to the difficulty in this country. The policy of putting in people who are not interested in the job, and who do not intend to stay there because they do not anticipate there will eventually be a place for them, will not meet the situation. On the other hand, if you hire one permanent employee for every five walks that you have across the country, a permanent employee who will be trained and will stay there, you will eliminate what I consider to be a waste of casual labour and so improve this public service.

Mr. Knowles: Mr. Chairman, this will be very brief. I wish to thank the Postmaster General for the offer he made this afternoon to take another look at the question of what happens in respect of these stamping machines that are used by various business firms.

Mr. Martin: Surely we have had that. The minister said he was going to look into it.

Mr. Knowles: I have as much time as the Minister of National Health and Welfare. I was prepared to deal with this briefly, but if he wants to keep me going I shall be glad to accommodate him.

The point I wish to make, Mr. Chairman, is simply this. In my view the minister should take a look at this matter not merely because of his generous offer to do so, but because of something I have now found is in the act. On the basis of what I am going to read I believe those who drew this matter to my attention are perfectly justified in their request that the Post Office Department should pay more attention to the arrangements made between a company such as Pitney-Bowes and the firms who instal their stamping machines. In this connection I

would draw to the minister's attention section 5 (i) of the Post Office Act, which reads as follows:

Subject to this act, the Postmaster General shall administer, superintend and manage the Canada post office, and, without restricting the generality of the foregoing, may

(i) install or permit to be installed or erected stamp vending machines and machines for the making or printing of postage impressions;

My sole reason for rising now was to draw the Postmaster General's attention to the fact that as I read the act this matter comes under the authority of the Postmaster General and he is really obligated to take another look at the matter I raised this afternoon. I hope he will do so in the light of that obligation.

Mr. Campbell: In view of the statement made a few moments ago by the hon. member for Vancouver East I would like to ask the minister this question. Having regard to the fact that newspapers in towns with a population of 10,000 or under can send their newspapers free, what is the position of newspapers in small towns and villages which use fillers? Do they come under the same section?

Mr. Cote: Would my hon. friend please repeat his question? I am sorry, but I did not hear.

Mr. Campbell: What I want to know is if newspapers in small towns and villages, the ones which use fillers and have very little news except local items, can send their newspapers free.

Mr. Cote: I am sorry, but I do not understand what the hon. member means by "fillers". However, I may tell my hon. friend that if it is a regular newspaper with bona fide subscribers they are allowed free delivery up to 40 miles, but only when it is to a paid subscriber.

Mrs. Fairclough: May I ask the minister if that applies to weekly papers only, or does it apply to semi-weeklies?

Mr. Cote: Mr. Chairman, I think I can best answer the two hon. members who have asked questions on newspapers by quoting section 11, subsection 2, paragraph (c) which reads as follows:

(c) for those published once a week

(i) with a circulation of fifty thousand or more copies per issue, three cents for each pound weight or fraction thereof,

(ii) with a circulation of less than fifty thousand but of ten thousand or more copies per issue, two and one-half cents for each pound weight or fraction thereof, and

(iii) with a circulation of less than ten thousand copies per issue, one and one-half cents for each pound weight or fraction thereof,

[Mr. Knowles.]

Subject to the exception that two thousand five hundred copies per issue may be transmitted by mail free of postage within a distance of forty miles from its known place of publication in the case of a newspaper or periodical published in a city, town or village with a population of not more than ten thousand persons;

Mr. Lennard: Does that apply to semi-weekly or daily newspapers?

Mr. Cote: Just weekly.

Mr. Lennard: Papers subscribed for.

Mr. Cote: There must be a bona fide subscription.

Mr. Lennard: And free distribution?

Mr. Cote: Yes, up to 2,500 copies.

Mrs. Fairclough: And that applies to semi-weekly and daily newspapers?

Mr. Cote: No; weekly.

Mrs. Fairclough: That is paid subscriptions only, is it?

Mr. Cote: Yes.

Mr. Stewart (Winnipeg North): I should like to return to the matter I was discussing with the minister this afternoon. He has now had some time to consider what I was driving at. Perhaps he is now in a position to give me an answer.

Mr. Martin: Did you have dinner together?

Mr. Stewart (Winnipeg North): No. I think the minister was busy—at least I hope so—with this particular problem. You will recall that I wanted to know what the actual figures were of profit and loss in connection with first-class mail. This afternoon the minister was only able to give me percentages. Is he now in a position to give me actual figures?

Mr. Cote: I gave the percentage before dinner, namely 2 per cent. In money it would amount to approximately $2,600,000.

Mr. Stewart (Winnipeg North): Mr. Chairman, I disagree with the minister's calculation. Really, if the hon. gentleman can give me a percentage he can give me the figures, because that percentage is evolved from the figures.

Mr. Cote: I gave the percentage.

Mr. Stewart (Winnipeg North): I am not interested in the percentage; I want the figures. I am arguing that you are making a $5 million profit, and I am prepared to put my figures on the record. The minister says he makes $2 million profit. I ask him to put his figures on the record. May I not have the figures?

Mr. Cote: I have already answered the question. If my hon. friend is not satisfied with the answer, I am sorry. I gave him 2 per cent; and the figure in money would amount to over $2,600,000.

Mr. Stewart (Winnipeg North): Mr. Chairman, this 2 per cent is related to two figures, A and B. Let us be specific. I do not know what A and B are. I ask the minister this question. What is A and what is B? A-B is 2 per cent and it comes out at $2 million. What is A and what is B?

Mr. Winch: It sounds like the Social Credit A plus B theory.

The Deputy Chairman: Shall the clause carry?

Mr. Regier: I am still looking for the reason this new tax is to be imposed on the Canadian people. We are given two supposedly good reasons. One was that the 40-hour week was to be introduced. We are now finding that it is only a Liberal 40-hour week, and has no relation to what is looked upon as a 40-hour week by those who are concerned. The other reason was that we were losing money because the post office is no longer in receipt of revenue from sales of stamps used on cheques. When the Postmaster General was asked why the house was not informed at the time the cheque tax was removed as to how much loss there would be to the Post Office Department, the answer was that they were unable to estimate the amount.

To me this situation seems odd, because we have figures available. Someone said to me there is no question that officials of our Canadian government cannot investigate and find answers to. However, leaving that point aside, we have statistics showing how many cheques are cleared through the banks each year, and we also have statistics showing the sales of regular excise tax stamps. Taking one from the other, it seems to me, should have given us a fairly accurate picture of how much money the post office was going to lose. I repeat that I cannot see an argument for this new tax.

The Deputy Chairman: Shall the clause carry?

Some hon. Members: No.

The Deputy Chairman: Those in favour—

Mr. Fulton: Mr. Chairman, in closing the debate on second reading the Postmaster General extended an invitation to me in terms which I must confess are not very clear.

Mr. Knowles: That has been true of this whole debate, as far as the government is concerned.

Mr. Fulton: I am interested in anything that might throw some light upon whether or not the Post Office Department could save money and thereby eliminate—to an extent, at any rate—the necessity for this increase. I was referring to a report made by the civil service commission some four years ago and referred to in the Woods and Gordon report. I asked the Postmaster General if he would allow me to go and look at it. I suggested that if he would not allow me to go and look at it I must conclude that the reason was that there were some things in it which the government wished to suppress.

Mr. Martin: You are entitled to your own conclusions.

Mr. Fulton: In dealing with that request, as reported at page 1848 of *Hansard*, the Postmaster General said this:

> I want only to answer one question which was directed to me by the hon. member for Kamloops (Mr. Fulton). He asked me if I would extend to him the same courtesy I extended to the hon. member for Notre Dame de Grace. He knows I always try and will always endeavour to extend the same courtesy to every hon. member in this house; but he will not blame me if, from now on, I am very cautious of those who come into my office with a dictaphone machine during my absence.

Now that I have the opportunity of following up that matter, I should like to know whether the Postmaster General would permit me—with or without a dictaphone—to go into his office, examine that report, make extracts from it and refer to the extracts in debate in the house.

Mr. Cote: Mr. Chairman, the house has already refused the tabling of this report for any hon. member. Therefore I do not think it would be fair, just or constitutionally legal to show this report to one member only and not to show it to all the members.

Mr. Fulton: Perhaps the Postmaster General would extend an invitation to all the members of the house.

Mr. Pickersgill: The house has already refused production of the report.

An hon. Member: The temporary Postmaster General.

Mr. Lennard: Now we know where we are.

Mr. Fulton: I do not know why the Secretary of State raises that issue. I do not want to be out of order. The Secretary of State keeps raising issues which would make us get out of order. I am not asking that the report be tabled. I am asking whether I

can go to the Postmaster General's office and see the report, or whether he wants to keep it secret. If the minister wants to keep it secret, I want to know why he does not want anyone else to see it.

Mr. Cote: The answer is no, because I have not the right or the power to show this report to my hon. friend.

Mr. Fulton: That is a new doctrine, Mr. Chairman. The government refused or indicated to the house that—

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

Some hon. Members: Oh, oh.

Mr. Knowles: You did not speed things up last time.

Mr. Martin: The house has already ruled that this document is privileged.

Mr. Diefenbaker: No.

Mr. Martin: My hon. friend is now seeking to undo that ruling. With great respect, Mr. Chairman, I would say that he is out of order in pursuing this subject.

An hon. Member: He is pursuing the minister.

Mr. Fulton: The Minister of National Health and Welfare is a good enough lawyer, I would have thought, to be able to appreciate the difference between the two projects. What I was asking on the former occasion was that the document be tabled in the house. The government took the position that it is a privileged document. I am not seeking to have that decision reversed at this time and the government, in fact, compelled to table it. But that does not mean to say the minister in whose possession the report is cannot allow an hon. member to go into his office and look at it.

Mr. Abbott: It would be most improper for him to do so.

Mr. Fulton: That is an entirely different matter. If the minister has reasons for not allowing us to look at it in his office, I should like to know them. What is there in the report that members of parliament should not see? This report was paid for with the taxpayers' money.

Mr. Knowles: Maybe there are some horses in it.

The Deputy Chairman: The Minister of National Health and Welfare was certainly correct in raising the point of order, at least to the extent that the hon. member is reviving a subject which has been fully debated, and voted on in the house. May I point out to the committee once again that, though not unanimously, the house passed the motion for second reading of this bill, thus adopting in principle the bill which we are discussing. Clause 1 of the bill, dealing with rates of postage on certain letters, is now before the committee for discussion.

Mr. Fulton: That is exactly what I am discussing. It was laid down at the outset of the debate that anything having a bearing upon the cost of the Post Office Department, the cost of giving service, was in order in discussing the reasons for the increase in rates that we are now specifically asked to vote.

In the course of the debate a report has been tabled which indicates that there is another report which recommends certain administrative changes in the Post Office Department. The terms of the Woods and Gordon report make it quite clear that in their opinion the implementation of this other report would have the effect of saving money. What I am asking is not that the house should reverse its previous decision as to the tabling of that report. All I am asking is whether a member of parliament can see that report, because it was compiled at the expense of the people of Canada. It deals with the administration of a department supported by the taxpayers of Canada, and I want to know what is in that report that the government and the Postmaster General will not let me see, and why it is that a member of parliament representing the taxpayers should not be allowed to see the report. There is nothing in those questions which seeks to reverse a previous decision of this house.

The Deputy Chairman: Order. The question having been raised as a point of order, it is my ruling, from which I would remind the hon. member that he may appeal, that the hon. member is asking for a report the production of which has been discussed and voted on at this session, and that therefore the subject is not one which can be discussed at this stage of our discussion of the act to amend the Post Office Act.

Mr. Nicholson: With respect to the matter on which the hon. member for Winnipeg North tried to get some information, I now have the charts published a year ago in the annual report. One chart showing receipts gives the revenue from ordinary letters as 46 cents out of each dollar. Another chart showing disbursements has a figure of 29 cents for ordinary letters and 10½ cents for air mail, in connection with which I note there is a loss. However, adding the figures in the chart of receipts of 46 cents for ordinary letters and 5¾ cents for air mail, I get 51¾ cents out of every dollar. If you add the

disbursement figures of 29 cents and 10½ cents you get 39½ cents. That means a profit of 12¼ cents on every dollar from the handling of first-class and air mail.

I wonder if the Postmaster General would explain why there has been such a deterioration in one year in the profit on the handling of first-class mail. On the basis of the figures presented a year ago it would appear that the handling of first-class mail resulted in a profit of $14,997,148.10. I think it would be helpful if at some point the Postmaster General could explain what, if anything, was wrong with these figures presented a year ago, and why there should be such a change in the relative position of ordinary mail in one year's time.

Mr. Winch: Why is there a difference of approximately $12 million in just over one year?

Mr. Cote: If my hon. friend will consider the receipts according to the revenue and expenditure chart he will see that the 6·7 per cent revenue for air mail has now totally disappeared. It is all gone.

Mr. Nicholson: But it would appear from these figures that there was a net of 12¼ cents out of every dollar on the handling of first-class mail and air mail combined.

Mr. Cote: But we are considering now conditions in the year to come, not in the year past.

Mr. Nicholson: But why in one year's time—

Mr. Cote: Because we will not have these revenues in the chart to the right, the 6·7 per cent. Those will disappear altogether.

Mr. Nicholson: I understand that the figures the Postmaster General gave the hon. member for Winnipeg North were based on the last year available. My question involves going back one year more and taking the figures that were presented in the annual report a year ago. At that time post office first-class mail apparently earned a net profit of 12¼ cents on each dollar. The difference is about $12 million. I wish the Postmaster General could explain why the profit on handling first-class mail was reduced by $12 million in one year.

Mr. Cote: I simply cannot figure something that I do not have for the coming year and that I did have last year.

Mr. Nicholson: I am using the annual report of the Postmaster General for the year ended March 31, 1952.

Mr. Cote: That is two years ago.

Mr. Nicholson: It would appear that the net profit on first-class mail was $14,997,148.10. The figure the Postmaster General gave the hon. member for Winnipeg North apparently was something over $2 million on his basis.

Mr. Winch: Under the same circumstances.

Mr. Nicholson: Under the same circumstances.

Mr. Hamilton: Mr. Chairman—

Mr. Nicholson: The Postmaster General is trying to get an answer.

Mr. Cote: I can only reiterate the answer I have already given. The situation of two years ago does not apply because for the coming year we are losing entirely what we had two years ago.

Mr. Stewart (Winnipeg North): How did you lose $12 million in a year on the same service? Is there something wrong with the Post Office Department that there should be a $12 million loss? I do not think so. The minister has not answered the hon. member for Mackenzie at all. The minister told me that for the past year the profit on first-class mail was $2 million. The year before it apparently was about $14 million. Why was there this drop of $12 million? We are dealing with what has happened and therefore with facts. We are not dealing with the future.

Mr. Nicholson: The annual report a year ago contained this chart of the breakdown of the Canadian postal dollar into receipts from ordinary letters, air mail, newspapers and periodicals, printed matter, parcel post both domestic and foreign, registration, money orders and others. Apparently the post office has an efficient accounting system and was able to determine two years ago how much out of every dollar of revenue was applicable to each of these categories. Likewise disbursements are divided into ordinary letters, air mail, newspapers and periodicals, printed matter, parcel post both domestic and foreign, registration, money orders, free mail and others.

I think there should be some explanation. The last annual report contains a comparison of annual financial results for the past 20 years, and in only two of those years did the post office show a deficit. When this report was published apparently the surplus was over $6 million. I think there should be some explanation of why there was this drop in one year's time. Receipts from ordinary letters apparently were 46 cents out of every dollar and disbursements were 29 cents. On that item there is quite a marked difference. With respect to air mail, the figure for receipts was 5¾ cents and for disbursements

10½ cents. But if you take the two together the figure for receipts is 51¾ cents and the figure for disbursements is 39½ cents, or a difference of 12¼ cents which is profit. I have taken the figures on the previous page showing total revenue of $122 million, and if my arithmetic is not too far out it shows a profit of $14,979,000. There should be some explanation as to why that position has deteriorated by $12 million in one year.

Mr. Cote: I believe I have some figures which should satisfy the hon. member, if he recalls the chart which he saw before the recess. He will recall that we are going to lose between 46 and 47 per cent of the $7·5 million for excise stamps, which makes $3,600,000. We are going to lose also over 6 per cent of the whole revenue by dropping air mail fees which amounts to $7,930,000, making a total of $11,530,000.

Mr. Nicholson: The Postmaster General is not discussing my point. I am considering first-class mail, not the difference in regard to excise tax.

Mr. Cote: This all belongs to first-class mail, and in the breakdown it is all included in that.

Mr. Diefenbaker: I wonder if one might break in and ask the minister a question which possibly he would not have such difficulty in answering. This is one of the things that shows the advantage of such a debate. It gives the people an opportunity to ask questions. I have just received a telegram from Prince Albert which was sent at 5.59 p.m., and which reads:

Our information Prince Albert not included in 40-hour week. Please protest.

I want to vary the order of things, Mr. Chairman, by making a protest and at the same time trying to secure some information. I understand that the reason for this pronounced elevation in the price of postage is the fact that the 40-hour week is to be instituted.

That is a major matter. Why are certain communities eliminated from this proposal? I appreciate the explanation that was given this afternoon that certain cities are eliminated because of the fact that industry has not adopted the 40-hour week. But surely that is not a reason for this elimination. Is it a fact that in Prince Albert and in various other cities in western Canada, postal workers are to be denied the advantage of this 40-hour week because industry has not seen fit to introduce this measure? Surely you are not going to raise postage all over Canada in order to benefit only certain postal workers.

[Mr. Nicholson.]

I wish the minister would give a full answer to this question. It is not a difficult problem. It does not require a knowledge of complex financial tables. It is a simple question. Why should the mail carriers and other postal employees in Prince Albert be denied equality in the matter of the 40-hour week? How many cities in Saskatchewan are in this position? How many in western Canada?

Mr. Knowles: This is a chance for the Minister of Finance to extend that list.

Mr. Diefenbaker: After all, Mr. Chairman, this elevation in the rate of postage is caused, we are told, by the introduction of the 40-hour week. This is a major consideration. Why should the matter be determined on a geographical basis? I should like a full answer. It does not require any study of statistics or the manipulation of figures or a knowledge of vast amounts. It is a simple question. Is there this discrimination? If so, why; and is it going to be alleviated?

Mr. Abbott: As an expert on the five-day week, Mr. Chairman, perhaps I might be able to enlighten the hon. member. As I have had occasion to say in this house on a number of occasions when announcing the introduction of the five-day week amongst the clerical grades of the civil service, the government's policy has been to introduce that practice in communities in which it is the prevailing practice amongst private employers; that is the rule. We do not lead the way in introducing the five-day week in communities, but we follow the practice of good employers there. This practice has been followed for the clerical employees.

The civil service commission and the personnel section of the treasury board are now studying the extension of the five-day week to post office employees. I am assuming a similar principle will be followed with respect to that class of government employees as is being followed with respect to clerical employees. I do not know about Prince Albert. I am hoping that the civil service commission will have at least a preliminary list available before very long. As I said before, it is a big administrative job to work this out for the post office. I do not know as yet whether Prince Albert is in or out. The principle is very simple.

Mr. Diefenbaker: It is a complete lack of principle. If labour is entitled to this, it is entitled to it everywhere in Canada. If the 40-hour week is to be established, then why should it be within the power of any board, any minister or any group to determine that it shall apply here and not there?

Mr. Abbott: The civil service commission determines. It investigates and finds out what is the practice in the community.

Mr. Diefenbaker: I do not care whether or not the civil service commission determines it.

Mr. Abbott: You said a minister did.

Mr. Diefenbaker: Well, sometimes I wonder whether some of these commissions do determine things without the assistance or connivance of a minister.

Mr. Abbott: My hon. friend can turn around as rapidly as anybody else.

Mr. Diefenbaker: That is quite all right. I am asking the Postmaster General whether or not he adheres to this principle that the five-day week should apply only in those particular communities where it is the practice?

Mr. Cote: On the basis of prevailing practice, and as already explained by the Minister of Finance.

Mr. Abbott: It applies to the post office the same as to other government employees.

Mr. Diefenbaker: I am asking on behalf of those employees who are requesting information. They ask why they should be discriminated against, why should it be determined that certain ones shall have this and not others, if the principle is good? I am asking the Postmaster General—after all, he is in charge of the department—whether or not he adheres to that belief or whether he is doing anything to assure that equality will be established in his department.

Mrs. Fairclough: Is the Postmaster General going to answer the hon. member?

Mr. Cote: He has already been answered.

Mrs. Fairclough: If no further answer is forthcoming, Mr. Chairman, I should like to make a few remarks arising out of the statement made by the Minister of Finance.

I can understand that the minister would feel the government should follow the practice adopted in the various centres, without feeling that is necessarily fair to all employees in the government. Nevertheless, assuming that is the principle and that the government is following the lead of industry in these centres, I think that highlights a point which we made earlier today. If the government is following the lead of industry in instituting the five-day 40-hour week in the centres in which it is the practice, then why is it the government departs from the practice of industry and proceeds to make arrangements to hire casual labour to fill in the dead spot in the six-day week? Why not follow the practice of labour and rotate the staff, giving everyone an equal opportunity under this new scheme?

The Deputy Chairman: Shall clause 1 carry?

Some hon. Members: No.

Mr. Cameron (Nanaimo): I have been feeling somewhat sorry for the Postmaster General for some time, but never so sorry as when the Minister of Finance came to his rescue. I wonder whether the Postmaster General has been saying to himself, "God preserve me from my friends", because we have been told by the minister that he must increase the postal rates, first because of the removal of the three-cent excise tax on cheques. The Minister of Finance says, "Nonsense; that has nothing to do with it."

The only other argument of the Postmaster General was as to the implementation of the 40-hour five-day week. The Minister of Finance gets up and tells us, "Nonsense; we don't know yet how far that will extend." So just what has been the basis for the Postmaster General's figures?

The Deputy Chairman: Shall the clause carry?

Some hon. Members: No.

Mr. Hamilton: There was another figure the Postmaster General used on February 4, when in his remarks he said:

> —in presenting this report the firm of business consultants estimated that in terms of salaries and additional staff required, increased amounts of approximately $300,000 per annum at headquarters and approximately $400,000 in the field would be required if and when the recommendations were adopted—

That represents quite a sizeable amount in the post office budget. It might have a bearing on the increase. In the report to which the Postmaster General refers I can find no reference whatsoever to these figures. I was wondering whether the hon. gentleman would enlighten us as to where he got them, because I would like to have a chance to see whether they actually are available to the public generally.

The Deputy Chairman: Shall clause 1 carry?

Mr. Knowles: On division.

Some hon. Members: No.

Mrs. Fairclough: The hon. member for Notre Dame de Grace asked a question, and I think he is entitled to an answer. If the minister does not intend to answer him, there are several of us who have other questions to ask.

Mr. Cote: If I may have a chance I will reply.

An hon. Member: Give him a chance.

Mr. Diefenbaker: Do it yourself, without the help of the cabinet, or you will not get along very well.

Mr. Knowles: Several of the ministers over there have not helped you out yet tonight.

Mr. Cote: The J. D. Woods and Gordon report made a few recommendations. The amounts indicated are as follows:

Estimated cost (per annum)		
1 Director of personnel at $10,000	$10,000	
Clerical stenographer	4,000	
		$14,000
8 Chief superintendents at $9,000	$72,000	
Engineering clerical assistance 8 at $3,000	24,000	
		$96,000
9 Additional superintendents at $7,000	$63,000	
Building division, methods and time study division, inquiries division, motor vehicle division, verification division, statistical and office services, personnel division, employee services division, staff training division.		
Clerical and stenographic assistance at $3,000	27,000	
		$90,000
2 Special investigators at $6,500		13,000
Methods and time study division:		
4 Time study analysts at $6,000	$24,000	
8 Time study analysts at $5,000	40,000	
Clerical and stenographic assistance 12 at $3,000	36,000	
		$100,000
Budgets and statistics, motor vehicle, personnel development and employee services divisions		
15 at $3,000	$45,000	
		$45,000
		$358,000
Field service		
60 Area superintendents at $6,000		$360,000
3 Special investigators at $6,000		18,000
10 Personnel officers at $5,000		50,000
(Other positions will be filled by existing mail transportation officers—Public relations officers and inspectors.)		$428,000
14 Increase in salaries of district directors at $1,000		14,000
		$442,000

If my hon. friend goes back and reads the report again he will find that these figures are quite moderate. When J. D. Woods and Gordon said that in the long run we would make economies, they also said that we would have to spend a considerable amount of money in implementing these recommendations, and that only in years to come would we be able to improve the service and possibly make some economies. I presume that these details answer the hon. member's question.

Mr. Hamilton: I have been interested in the figures submitted by the minister. Are they his own calculations drawn from the report, or is this a statement that has been submitted to him by Woods and Gordon?

Mr. Cote: I shall quote from the summary of the report of J. D. Woods and Gordon. It states:

> One of the first steps should be the appointment of a personnel director. He should be supplied with a small staff possibly borrowed from some of the other branches and immediately undertake a study of the following matters:
>
> (i) Personnel available for immediate appointment to the new positions.
>
> (ii) Personnel who, after training, would be suitable for appointment to the new positions and the training they will require.
>
> (iii) What positions will have to be filled from outside the department.
>
> The various changes in organization suggested in the report are set out below by branches with comments as to the timing.
>
> Operations branch
>
> (a) Chief superintendent—engineering—A man should be obtained from outside the service to fill this vacancy. It can be filled as soon as a suitable candidate is available. There is no need to delay any other moves in the interval.
>
> (b) Mechanical engineering division—This position should be filled either from outside the service or possibly by one of the engineers from the major post offices. The balance of the staff should be recruited either outside or from within the department but at least one engineer should come from one of the major post offices. This division can be organized as soon as personnel are available.
>
> (c) Methods and time study division.—

I could read the whole report. I think this should answer my hon. friend. I do not want to annoy my hon. friend by reading the report, but what I summarized in my report was taken from the summary of J. D. Woods and Gordon themselves. We have quoted the amounts of money according to the civil service commission schedules and proper figures for this kind of work.

If my hon. friend insists I shall keep on reading. I could read six pages—

Mr. Hamilton: I am trying, sir, to understand clearly the words the minister used on February 4 when he said that a firm of business consultants estimated something. As I understand the reply of the minister now, they included in their report certain figures. He has added them up; he has correlated them, and he estimates that this is going to be the result. If that is so, I should like to know it, because this is something which is directly opposed to what he said in his original remarks when he said that this firm made this estimate.

Mr. Cote: The firm set up the positions, as I have already mentioned. The money figures were not given by J. D. Woods and Gordon, but they are figures which correspond to the positions suggested by J. D. Woods and Gordon.

Mr. Noseworthy: Before we pass on I wonder whether the minister will answer the question raised by the hon. member for Cape Breton South. Has the department given consideration to hiring one full-time regular employee for every five walks instead of taking on casual help? Has that been given serious consideration, or will it be given serious consideration?

Mr. Cote: I do not know whether I am in order, but I will answer the question in this way. We always consider all sides of any question. I may add that the casual workers we are employing are giving satisfaction, and we hope we shall have satisfactory service given under the scheme of the department which we have talked about today.

Mr. Noseworthy: I am not thinking so much of the attitude of the casual employees as I am of the attitude of the regular employees. What will be their attitude toward the department? I want to tell the minister, from what I know of post office employees, that the post office is considered one of the poorest employers of labour in this country. Only a year ago the whole service was disrupted by the change in daily deliveries, and you are going to disrupt again if you are going to take on casual employees.

Mr. Cote: I am very much surprised by what my hon. friend has just said, because on second reading he complimented the Post Office Department in laudatory terms. I remember having thanked him at the time. He is saying something different now. He may rest assured that we shall not overlook any suggestion. We are considering all suggestions made, and this is one of the problems that has taken up a lot of our time. But so far we have decided to do as I have already explained today.

Mr. Hamilton: Mr. Chairman, I return to my original question. I know you did not see me rise to ask one more question; but I heard the Postmaster General say that the figures are not the figures of J. D. Woods and Gordon but they correspond to those in the report. Was that what the minister said?

Mr. Cote: No, I did not say that, Mr. Chairman. I said that J. D. Woods and Gordon have indicated the positions which were to be filled. The figures are not the figures of J. D. Woods and Gordon but are figures which are mentioned which would correspond with the jobs done by people who fill these positions.

Mr. Hamilton: Mr. Chairman, the Postmaster General has just repeated his statement that the figures are not the figures of J. D. Woods and Gordon but they would correspond, and so forth. In other words, when the Postmaster General made the statement that the firm of business consultants estimated those salaries and so on, we now find that that was not strictly in accord with the facts. The Post Office Department took certain information and made their own estimate, Mr. Chairman, as I understand what the Postmaster General has just told us. I should like to know whether the hon. gentleman agrees with that, that he took certain figures from J. D. Woods and Gordon and made his own estimate. That is not quite what was said on February 4, at page 1765 of *Hansard*.

Mr. Cote: Mr. Chairman, I cannot give my hon. friend an understanding. J. D. Woods and Gordon indicated some jobs to be implemented in the Post Office Department. To those jobs corresponding amounts of money were assigned, which would have to be paid to fill the jobs. That is what I meant when I made the statement referred to by my hon. friend.

Mr. Lennard: I have a question to ask the minister in connection with third-class circular letters. Since they have been raised from one cent to two cents what is the profit or loss on the operation? I am not going to take my seat until I get an answer.

Mr. Howe (Port Arthur): The hon. member expects a quick answer.

Mr. Lennard: While the minister is looking for the answer he is about to give, may I say that in the 15 years that I have been a member of parliament this is the first time I have ever seen from 12 to 15 cabinet ministers backing up a minister at this stage of a bill. It must be embarrassing. I might also say that every time one of them interjects something we go on for another 15 minutes.

The Deputy Chairman: Order.

Mr. Noseworthy: He needs their help.

Mr. Howe (Port Arthur): This is the longest speech I have ever heard the hon. member make.

Mr. Lennard: If the minister stays here he might hear some more.

Mr. Knowles: There is even somebody in the Prime Minister's seat.

Mr. Lennard: I am not one of those long-winded birds, but I do speak occasionally.

Mr. Cote: I am sorry to have to tell my hon. friend that circulars are not segregated. We have only the entire amount for the whole third-class mail.

Mr. Lennard: What are these figures?

Mr. Cote: The revenues are 15½ per cent and the expenditures are 12·25 per cent.

Mrs. Fairclough: Oh, Mr. Chairman; first of all we get percentages. Then when we ask for a further explanation of percentages we get dollars and cents, and then when we try to figure out the dollars and cents and percentages we are told that we are off the beam; we cannot calculate our percentages. It goes all the way from the $13 million profit on first-class mail which I calculated on the gross to the $5 million which the hon. member for Winnipeg North mentioned, down to $2 million which the minister insisted on.

Now we are back again on percentages. Can we not get down to any kind of a reasonable medium here? The hon. member for Wentworth asked the minister how much he made when he increased the second-class mail from one cent to two cents. What does 12·7 or 15½ per cent mean? How many dollars and cents?

Mr. Pearkes: What is your grandmother's age?

Mr. Lennard: Apparently they made money right along the line. There has not been one classification which has lost money, from what I have heard today.

The Chairman: Shall clause 1 carry?

Some hon. Members: Carried.

Mrs. Fairclough: Mr. Chairman, clause 1 has not been carried.

The Chairman: The hon. member for Hamilton East—

Mrs. Fairclough: West, Mr. Chairman.

Mr. Knowles: Go west, Mr. Chairman.

Mrs. Fairclough: Mr. Chairman, we seem to be getting no place fast.

Mr. Cote: How right you are.

Mrs. Fairclough: In fact, there are so many tag-ends left dangling it is hard to tell exactly where we are. I suspect we are no place at all. The last answer which the minister gave to the hon. member for Wentworth is either purposely misleading, which I hesitate—

Mr. Cote: Mr. Chairman, I think the hon. member should withdraw the word "purposely".

Mrs. Fairclough: Mr. Chairman, I gladly withdraw. I am becoming so used to the thin skins of government members that I would hesitate to cause them any inconvenience or worry. If my remark does not meet with the minister's approval, then I am very sorry. I withdraw it. I must say, though, it amazes me—just amazes me—the things they can dish out and the things they cannot take. It seems to me we are getting—

Mr. Howe (Port Arthur): It's wonderful to be a woman.

Mrs. Fairclough: It seems to me we are getting to be a very namby-pamby crew. When I read some of the *Hansards* of a few years ago—

An hon. Member: Wait until you read tonight's *Hansard.*

Mrs. Fairclough: —when the speeches were enlivened by odd pungent remarks, and I reflect on more recent proceedings, it seems to me this house is losing its character, particularly when members cannot indulge in ordinary remarks which are likely to slip out in the heat of debate without being called to order. One is continually circumscribed—

An hon. Member: Carried.

Mrs. Fairclough: No, don't get excited. The last objection is just typical, Mr. Chairman. I have been called many things in the course of my life and I cannot remember ever objecting too strenuously to them. I remember a man a few years ago who invented an automobile—

An hon. Member: A what?

The Chairman: Order.

Mrs. Fairclough: —and many things were said about that automobile. People referred to it as a little "tin Lizzie" and talked about parking it under the kitchen sink; but when these many and various remarks were brought back to him he said: "Pay no attention. Every knock is a boost." I believe that is perfectly true, and I can see no reason why gentlemen who are supposed to have the necessary experience to fit them for cabinet posts in this government should be so sensitive to the odd remark passed in this house.

I have no intention of digressing further from the bill itself. Here we have a bill which sets out to substantially increase the postal rates. There has been a great deal of talk about the one cent increase, but section

10 (a) of this bill sets out the provision that for each letter for delivery within the postal area in which it is posted there will be a charge of four cents for the first ounce or fraction of an ounce, and two cents for each additional ounce or fraction of an ounce.

The old rate was three cents for the first ounce and one cent for each additional ounce, so in this instance we have an increase of 33⅓ per cent on the first ounce, and on the second ounce we have an increase of 50 per cent in the postal rate. On the third ounce for local delivery we have an increase of 60 per cent. Now, Mr. Chairman, that is a sizeable increase which no one can shrug off.

If we go on to subsection (b) of section 10 we deal with letters posted within one postal area for delivery within another postal area. The rates here have risen from four cents for the first ounce plus two cents for each additional ounce to five cents for the first ounce plus three cents for each additional ounce. On the first ounce the increase in postage is 25 per cent and on the second ounce the increase is 33⅓ per cent. On the third ounce the increase in postage is 37½ per cent.

It seems very peculiar to me, Mr. Chairman, that on a simple little postcard, ordinary souvenir mail sent by many people to their friends as a token of esteem, there should be an increase in the rates of 25 per cent.

Mr. Knowles: 33⅓ per cent.

Mrs. Fairclough: Yes, an immediate increase of 33⅓ per cent. Earlier this evening the minister many times mentioned the matter of subsidization. I think it is about time we asked ourselves quite candidly who is being subsidized. The minister stood up in this house the other evening and in virtuous tones and high-flown language decried the tendency of opposition members toward subsidization. But this evening we heard from the hon. member for Vancouver East with regard to certain classes of mail which go free of charge. We have tried hard to nail down the actual profit made on first-class mail which would, if we could discover the actual amount, disclose the subsidy which is paid in the case of second and third-class mail.

Once more I must bring to the attention of this house the subsidization of various departments of government in the matter of free mail. I have mentioned it several times, and I am sure hon. members are tired of hearing it. I am tired of saying it, but I shall have to say it so long as this debate continues. We have the subsidization of the carriers, T.C.A. in particular, yet the minister stands up and in righteous tones says we should not have a subsidized mail service.

Mr. Chairman, if there is one section of our mail which is not subsidized, it is the first-class mail. The first-class mail is paying its own way. What happens to the rest of the mail I do not know. I have not been able to discover the answer to that question, and no other member of the house has been able to discover it. The fact of the matter is, however, that the first-class mail is paying its own way. Yet the proposal of this government is to increase the charges on the first-class mail in order to make it pay for the cost to the Post Office Department of the rest of the mail, the subsidy to T.C.A. and to all the other departments of government.

A couple of years ago the department decided to curtail the delivery service on residential walks, to one a day in urban centres. This curtailment was put into effect and we waited in vain to find out what the saving was. We never did find out whether or not there was any saving. As a matter of fact, in the first year of that operation it looked very much as though the government had lost money, what with the difficulties that were encountered, the extra equipment that was purchased particularly in the way of the storage bins which, I understand from the minister's remarks earlier, were confused with garbage tins, with the consequent result that mail was posted in garbage tins instead of in postage boxes; the adjustment of residential walks and the dislocation of business; the ultimate protests which came in and the endeavours to correct the situation, and subsequently the reversion in some areas to two daily walks. We never have been able to find out whether the department saved money or lost money. It is my opinion they lost money. It is my opinion that it was a glaring example of mismanagement. These are the things that we have known about and that have been thrown in our laps for some time. Now the department comes along and says, "We must have another cent an ounce on all first-class mail in order to pay the cost of the department". Why? Why on first-class mail?

An hon. Member: Why not?

Mrs. Fairclough: The first-class mail is the only mail which is really paying its own way, yet the department say they must have an increase with regard to that mail. Until such time as the Postmaster General has proved his case, and until such time as he can give the House of Commons the answers to questions which he has studiously avoided answering, I submit that we cannot support any increase in the rates on the first-class mail which is paying its own way. Therefore, Mr. Chairman, we shall continue to oppose this bill just as we have opposed it right along.

The Chairman: Shall the clause carry?

Some hon. Members: No.

Some hon. Members: Carried.

Mr. Knowles: On division.

Clause agreed to.

On clause 2—*Coming into force.*

The Chairman: Shall clause 2 carry?

Mr. Harris: No. Was the minister not going to move an amendment?

An hon. Member: He cannot move an amendment to his own bill.

Mr. Cote: Yes. We have received an application from the periodical press association. As the act now reads, the newspaper or periodical may mail a newspaper or magazine only at the place of its publication. It has been suggested to us—and some complaints have been received—that in some circumstances it would delay the reception of the newspaper or the magazine at some centres. For instance, if a newspaper in Toronto is ready for delivery at four o'clock—I am only giving a hypothetical example—and the train leaves at six o'clock, the paper would be delivered in London, for instance, or some other place, only very late that night or even the next morning. Hence the periodicals have made representations.

The last time they came to see us they asked if we could, in some circumstances, grant the right to mail at one or more points than the place of publication. It is another possible avenue of saving because we would, in these circumstances, be spared the transportation. We have no objection to the suggestion. I have had the officials of the department look into the matter and we would agree to the proposed amendment. Section 11 of the act now reads as follows:

11. (1) A newspaper or periodical that . . .
(d) is posted by the publisher within the postal area in which the place of its office of publication is situated;

It could be amended by substituting for paragraph (d) a paragraph which would read as follows:

(d) is posted by the publisher within
(i) the postal area in which the place of its office of publication is situated, or
(ii) some other postal area approved by the Postmaster General upon his being satisfied that the posting of the newspaper or periodical within such other postal area will promote greater convenience in the distribution thereof and that the application of this section to the newspaper or periodical when so posted will not adversely affect the postal revenues; and

Of course it is my bill, but if my colleague the Minister of Citizenship and Immigration will move the amendment I shall be obliged to him. It does not involve any money at all. It is only a minor amendment. It would have the effect of speeding the delivery of newspapers and periodicals. We have no objection to it.

[The Chairman.]

Mr. Harris: I so move. Will the minister circulate copies for the convenience of the opposition?

Mr. Cote: Yes.

Mrs. Fairclough: May I ask under which clause this amendment is being made?

The Chairman: Perhaps if I read the amendment it might be clearer to hon. members.

That clause 2 of Bill No. 168 be renumbered as clause 3, and that the following clause be inserted as clause 2:

2. Paragraph (d) of subsection (1) of section 11 of the said act is repealed and the following substituted therefor:

"(d) is posted by the publisher within
(i) the postal area in which the place of its office of publication is situated, or
(ii) some other postal area approved by the Postmaster General upon his being satisfied that the posting of the newspaper or periodical within such other postal area will promote greater convenience in the distribution thereof and that the application of this section to the newspaper or periodical when so posted will not adversely affect the postal revenues; and"

Mr. Knowles: After the other things that have happened in the course of this legislation being put through parliament, Mr. Chairman, it seems to me that it is a piece of impertinence to offer this to us at this stage. In the resolution preceding the bill we had no indication that anything like this would be included. We had no suggestion at any point in the remarks of the Postmaster General that anything like this was up the government's sleeve.

As a matter of fact, from this side of the house we have had many complaints—from the hon. member for Winnipeg North and other members of this group in particular—against the leniency, latitude and subsidizing which has been accorded by the Post Office Department to the publishers of periodicals. We have felt that if any change was to be made in section 11 of the Post Office Act it should be to reduce the extent to which the post office is subsidizing newspapers and periodicals, and subsidizing advertisers in those newspapers and periodicals.

Instead of some attention being paid by the government to the arguments that have been made on the floor of the house, the minister now stands up seven minutes before we are to quit tonight and tells us that there have been representations, not from members of parliament, not from the people's representatives, but representations behind closed doors to cabinet ministers that something be done to make it still easier for the publishers of newspapers and periodicals.

Mr. Cote: It would save us some money.

Mr. Stewart (Winnipeg North): We do not have a copy of the amendment.

Mr. Knowles: Surely the minister's statement is one we should have the right to look into. The example the minister gave might be a case where some money would be saved. The Toronto *Daily Star* could use its own trucks to carry its papers to London, Ontario, or somewhere else, and I suppose the minister's argument is that the amount of handling by the Post Office Department might be reduced. But the result is that the Toronto *Daily Star* might be able to say to the people of London, Ontario, "We are going to get our paper to you that much quicker". Therefore they will be able to increase their circulation, and there will be more copies of that paper being put through a second post office at a subsidized rate. That is the kind of thing that can happen.

I submit that these newspapers are not making this request out of their desire to save money for the government, but are making it because it is something that will be to their advantage. I submit that it is an impertinence to present this amendment to the House of Commons at this stage of the debate. Did the matter just come to the minister's attention at supper time tonight? If not, why—

Mr. Cote: It was not requested by the newspapers at all. It was requested by the periodicals. It is merely a case of facilitating the circulation and transportation of the newspaper or magazine. As far as we are concerned it may be more advantageous to the department, because we will save some money. My friend should be logical. He suggested that we should save money on second-class mail. This is one case where he should see a way to save some money on second-class mail. This is a good occasion for him to indicate that he wants to save money on such mail. As far as we are concerned, we only want to facilitate and expedite newspapers and periodicals and at the same time not lose any money on transportation.

Mr. Knowles: The Postmaster General says that this request comes not from the newspapers but from the periodicals. I think he owes it to the house to tell us what periodicals have made this request. He is still telling us that there will be a saving to the government. I repeat my assertion that I am perfectly satisfied that the newspapers or periodicals have not made this request by reason of their desire to save money for the country, but have made it because it involves an advantage to them.

The Postmaster General tries to say that because we want to save money upon this class of mail we should accept his suggestion and the suggestion of the periodical publishers that this will do it. The hon. member for Vancouver East suggested one way in which this loss could be reduced. If the Postmaster General wants a further suggestion from me, may I say that I have read the whole of section 11 of the act, which is now before us if this amendment is in order, and there are rates in that section that should be increased. I contend that we are already losing too much in terms of post office revenue because of the way we are subsidizing newspapers and periodicals and in turn subsidizing advertisers in those newspapers and periodicals.

In view of the other things that have happened in the house today, and as no attention has been paid to requests from members on this side of the house with respect to section 11 of the act, I submit it is going a little bit too far at this hour to drag in such an amendment which is presented at the request of certain periodicals.

We are, of course, in a difficult position. My colleague the hon. member for Winnipeg North has pointed out that we do not even have a copy of the amendment. The leader of the Social Credit group points out that they have not received a copy. The page boy said a moment ago that the Postmaster General had only two copies, and one had to go to *Hansard* and one to the chairman. Did the Leader of the Opposition get one? Well, he does get favours around here sometimes. But here we are being asked to discuss an amendment when only one or two people in the house have a copy of the amendment before them.

I submit that the very least the Postmaster General should do, the very least the Minister of Citizenship and Immigration as house leader should do—I see he is agreeing with me—is to agree to allow this matter to stand over until tomorrow. Perhaps I can move that the committee rise and report progress.

Mr. Harris: We appreciate the assistance of the hon. member, but I hope we are still capable of running the government and the house. Nevertheless I quite agree that it would not be fair to expect hon. members to pass on the amendment without having an opportunity to see it. Had we reached this period a little earlier in the evening, and had there been some time available to look at it during the past hour, I might have suggested that we do as we did the other day,

pass it in committee on the understanding that third reading would not be called. But there is not time to do that now.

My hon. friend asked one question. As I understand it, he wanted a list of the periodicals that had made representations. I believe the Postmaster General was on his feet two or three times in an effort to read them to my hon. friend, but the hon. member felt that he had other things to say in the meantime. If that is the case, I suggest that the Postmaster General might read the list for the information of hon. members, and then we could report progress and ask leave to sit again.

Mr. Cote: Mr. Chairman, the requests were made by the periodical press association. Some of their magazines are *Maclean's, New Liberty, Canadian Homes and Gardens.*

Mr. Knowles: The association speaks on behalf of the whole group, does it?

Mr. Abbott: They have made representations to us for several years.

Mr. Knowles: We have been making representations on the floor of parliament for a long time.

Mr. Cote: *Canadian Magazine, National Home Monthly*—all the magazines which fall under the association.

Mr. Nicholson: Does it mention newspapers?

Mr. Knowles: *Life, Time, Esquire*?

Mr. Cote: Those are not Canadian magazines.

Mr. Abbott: They are part of the problem of Canadian magazines.

Mr. Knowles: Are we not to be given the entire list?

Mr. MacInnis: I think it would serve the purpose if the minister would have the list printed in *Hansard* and not read it in the house.

Mr. Cote: I will. It was the executives of the periodical association who came here. I think there were five or six of them. I could not give their names, but they were the executives of the periodical association.

Mr. MacInnis: Give us the names of the periodicals for which they were making representations.

Mr. Cote: I will.

Mr. Knowles: Let us get this clear, because we will have to deal with the matter tomorrow. These representations were on behalf of periodicals only.

Mr. Cote: Periodicals.

Mr. Abbott: This is of no value to daily newspapers at all.

Mr. Cote: The periodical press association, agricultural press, business newspapers association and magazine publishers' association.

Mr. Knowles: May I point out that the terms of the amendment would extend this privilege to newspapers as well as periodicals.

Mr. Cote: Yes.

Mr. Knowles: The Minister of Finance does not seem to realize that.

Mr. Abbott: It is of no benefit to newspapers.

Clause stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, we shall call third reading of the amendment to the Senate and House of Commons Act first tomorrow. Then we shall continue with this debate. If we have concluded it by four o'clock, we shall call the amendment to the Salaries Act. If we have not, we shall go on with the resolutions in the names of the Minister of Agriculture and the Minister of Fisheries, and follow the program I laid out on Friday night.

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

HOUSE OF COMMONS

Tuesday, February 9, 1954

The house met at 2.30 p.m.

TRADE

CONTINUANCE OF WEST INDIES TOKEN IMPORT PLAN

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I wish to make a short announcement. I am glad to be able to announce that confirmation has been received from London that the West Indies token import plan is being continued for 1954. I also have word that a number of commodities of importance to Canadian trade are being added to those on open general licence in the West Indian colonies.

The list of commodities on open general licence will include: newsprint; kraft paper; dried, smoked, pickled and salted fish; onions; potatoes; cheese; powdered and canned milk; split peas; meats; canned fish. Animal feeds are also on the list except in British Guiana.

Several of these items were previously traded under token import plan vouchers in the colonies. They will now be unrestricted and vouchers will not be needed for them.

The West Indies token import plan is playing a valuable part in keeping Canadian brand names before the public in the colonies, and in holding a place in those markets for Canadian goods until the trade need no longer be restricted. The transfer of commodities from the plan to open general licence is an encouraging sign for the future.

Full details of these changes are being given to the trades concerned by my departmental officers.

THE ARCTIC

STATEMENT AS TO RESUPPLY OF WEATHER STATIONS

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I should like to make a short statement on the Arctic weather stations.

On March 4, 1947, announcement was made in the house that the Canadian and United States governments had decided to establish weather stations in the Canadian Arctic which were to be operated jointly by the Canadian meteorological service and the United States weather bureau. It was then announced that the Canadian government would supply the required establishments and that the United States would furnish necessary water and air transportation.

That year a United States task force, sailing from Boston on July 15 and consisting of two icebreakers and a supply ship, made their way to Resolute bay on Cornwallis island and to Eureka sound on Ellesmere island. Weather stations were established at these two points. Since then three additional joint Arctic weather stations were established and have been in operation on a 24-hour day ever since. All these joint weather stations are located in the area now designated as Queen Elizabeth islands. For the first few years, the resupply of these Arctic stations was carried out from Resolute by the United States army air force but this airlift has gradually been taken over by the R.C.A.F.

With respect to transportation by sea to these Arctic outposts, Canada has been able to supplement the work of the United States task force during the last two summers. In 1952 the Department of Transport's Arctic supply ship, the C.G.S. *C. D. Howe,* delivered considerable supplies to Resolute; and last summer the department's new icebreaker, the C.G.S. *d'Iberville,* contributed greatly to the resupply of this main weather station.

It is my pleasure to be able to inform the house that this year, Canada will be able to assume full responsibility for the resupply of all but one of the joint Arctic weather stations. My department will, this summer, send up a task force consisting of two icebreakers, the department's Arctic supply ship, the *C. D. Howe,* a commercial dry cargo vessel and a commercial tanker.

The departmental vessels will be carrying out this special work in addition to their regular duties in Arctic and sub-Arctic waters. The icebreakers used will include the *d'Iberville, N. B. McLean* and *Edward Cornwallis.*

The C.G.S. *C. D. Howe* will carry out, as in previous years, the supplying of government outposts along the coasts of Baffin island, lower Ellesmere island as well as Resolute where she will rendezvous with the task force.

C.G.S. *d'Iberville* will be the commodore ship of the task force and will accompany the commercial dry cargo vessel and tanker

to Resolute. Last year this new icebreaker opened a new R.C.M.P. post at Twin Glaciers, half-way up the eastern shore of Ellesmere island. This year, ice conditions permitting, *d'Iberville* is scheduled to travel up the west coast of Ellesmere to Eureka sound and will also carry out resupply work to other Arctic posts, including Craig harbour.

The joint Arctic weather station at Alert on the northernmost tip of Ellesmere island will be resupplied by the United States task force which will be servicing American establishments in Greenland.

Mr. Green: May I ask the minister a question arising out of his statement? Are there any other Arctic weather stations in contemplation?

Mr. Chevrier: None other than these five.

FISHERIES

PURCHASE OF BRITISH COLUMBIA CANNED SALMON BY BRITISH GOVERNMENT

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, I should like to make a short statement on the sale of Canadian canned salmon to the United Kingdom. Before the war a large part of the annual British Columbia pack was sold in the United Kingdom. During the war years almost the entire pack was sent to Britain. In the post-war years, however, the British found it increasingly difficult to find the dollars necessary for such purchases and so sales declined. In 1952 the British bought no Canadian salmon, and it looked as though there would be no British purchases in 1953.

When the Right Hon. R. A. Butler, Chancellor of the Exchequer, was in Ottawa last spring, the Minister of Trade and Commerce (Mr. Howe), the Minister of Finance (Mr. Abbott) and I raised the matter with him. He eventually agreed to allocate $4¼ million for salmon purchases, which bought 205,000 cases. At the time he expressed the hope that the fishing industry would try to buy more British goods to enable Britain to earn the dollars to finance such purchases.

I repeated his words here in the House of Commons last spring, and I am glad to say that the fisheries association of British Columbia took immediate action on this suggestion. A committee was formed which canvassed every branch of the industry to see how British purchases could be increased. By August of last year this committee had prepared an order for $4½ million of new British purchases of tin-plate, mechanical equipment for plants and boats, and fishing gear.

The committee felt that there might be more equipment available in Britain than they knew about, so early in September Mr. Kenneth Fraser, manager of the Imperial Cannery, was sent to England to visit the British manufacturers. At the end of September a trade delegation consisting of Mr. H. R. MacMillan, chairman of the board of B. C. Packers, Mr. John Buchanan, president of B. C. Packers, Mr. Roger Hager, president of the Canadian Fishing Company and myself went to London.

We found that Mr. Fraser had done a splendid job and had found a great deal of other first-class British equipment, competitive in price. Mr. MacMillan was so impressed that he wired back to Vancouver to have the purchasing agent of his logging enterprises come to Britain for a similar survey.

The delegation had wisely decided not to try to link their British purchases with any conditions for the sale of salmon, so there was no suggestion of barter or any *quid pro quo* arrangement. We did feel, however, that the British government should know of the way the industry was trying to help the British earn dollars. We first met the Right Hon. Lloyd George, minister of food, and found him most sympathetic. He told us that he had great demand from the British people for much more British Columbia salmon and would be happy to provide it if the dollars could be found. We next met the Right Hon. Peter Thorneycroft, president of the board of trade, who was most impressed with the action taken to increase the sale of British goods in Canada. He was pleased too that the delegation had found so wide a range of first-class equipment available at competitive prices. He felt it was the first time that a whole industry had made a deliberate effort to help the British to earn more dollars.

Finally, our high commissioner in London, Mr. Norman Robertson, and I met the chancellor. He was frankly delighted that his suggestion of the spring should have brought such positive results. He told us that, while it was not possible for him to allocate dollars for salmon purchase in the fall months because of other commitments, he would try to make dollars available in the spring.

I went on to attend the Colombo plan meetings in New Delhi, but the rest of the delegation spent another three weeks in Britain arranging for purchase of this equipment. The British press gave very favourable comment on the purpose of the mission. Perhaps I can quote one paragraph of a

speech made on December 2 by the Right Hon. Derick Heathcoat-Amory, minister of state, to show the impression made on the British cabinet. He said:

> We welcomed very much a mission that came over here recently from the fishing industry of British Columbia. Here is a case where a whole Canadian industry recognized in a very practical way the value of increasing trade between our two countries. They came to see what the United Kingdom could offer in the field in which they were interested. When they went away, they seemed to be impressed with all they had seen—the wide range of goods that were of interest, from ships' chandlery to diesel engines, and they found us to be up to date and our prices competitive. They returned full of enthusiasm and important orders look like materializing which may run into several millions of dollars. Here I suggest is one more nail in the coffin of the myth that the United Kingdom only produces luxury goods at high prices. We would welcome immensely other missions of the same kind.

Two weeks ago the British government informed us that a bulk purchase of salmon would be made this month. While the amount was not made public, it is considerably larger than last year's purchase. A representative of the British ministry of food is now in Vancouver negotiating the purchase. In view of this happy outcome I can assure you that the fishing industry of British Columbia will continue to press its "Buy British" campaign.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I feel sure that all members on both sides of the house will welcome any evidence showing that trade can be increased with Britain, which has been both an exporter to Canada and a customer of ours for so many years. I also feel sure there will be many members of the house who will welcome whatever action the government has taken although it was limited in this particular case because it was primarily the industry that carried out the negotiations. Nevertheless hon. members will welcome such participation of the government as has taken place because of the fact that we have been urging for some considerable time that the government should do this very thing, and this is the first evidence we have seen that they have followed the advice we have given them.

REPORTS AND PAPERS

TABLING OF ORDER FOR RETURN RESPECTING FERTILIZER

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I am tabling a return about fertilizer.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Knowles: Is that from the Liberal platform?

Mr. Fulton: I can think of no more fitting source for a return of that kind.

RIPPLE ROCK

REQUEST FOR STATEMENT ON PROPOSED TUNNEL

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to direct a question to the Minister of Trade and Commerce. Has the national research council recently received a report from the engineers who are examining the possibility of a tunnel under Ripple rock in Seymour narrows on the west coast? If so, could the minister make a statement?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the direct answer is no. However, the situation is that, as originally planned, a drill hole has been made from the shore to directly under the rock. The drill cores are now being examined by government geologists. A preliminary report merely showing the location of the drill hole has been received by the national research council. No information has been received on the results of the examination of the cores. It is expected that the examination will take the better part of two months and at that time we expect to have a report on this aspect of the problem.

LABOUR CONDITIONS

IMPLEMENTATION OF PROPOSALS RESPECTING EMPLOYABLE UNEMPLOYED

On the orders of the day:

Mr. Angus MacInnis (Vancouver-Kingsway): I should like to direct a question to the Minister of Labour. Has the government taken any steps in the present unemployment situation to implement the promise it made in August, 1945—I refer to the green book proposals—to look after employable unemployed not covered by unemployment insurance or whose unemployment insurance has been exhausted?

Hon. Milton F. Gregg (Minister of Labour): The question of the hon. member for Vancouver-Kingsway opens up a subject that has caused a great deal of discussion in days gone by. Although I was not here in 1945 I do know, as I am sure my hon. friend knows, that the proposals in the so-called green book were never incorporated in agreements between the federal and the then nine provincial governments. I am not going to discuss that topic at all. But since 1945 a great deal of water has run under the bridge with

respect to this question. For instance, in my own department we have since that time improved the benefits of unemployment insurance. We established supplementary benefits. We improved those supplementary benefits, extended the period of time, and in other ways have done things to help to cope with seasonal unemployment periods such as we are now experiencing.

[*Later:*]

Mr. MacInnis: I should like to ask a supplementary question of the Minister of Labour. Without questioning what he has said, when he spoke here on Monday, the 26th of January, I think it was, he said that there was a residual problem and that the most effective way of solving it was through the joint efforts of the provincial and municipal governments and the federal government. Are any such efforts being made at the present time? Has the federal government taken the initiative in the matter?

Mr. Gregg: Offhand, Mr. Speaker, I can think of one which has been announced by my colleague the Minister of National Health and Welfare, and which will have the effect of helping to relieve the burden of unemployment in municipalities. I refer to his federal-provincial pension plan devised to help unemployable or disabled persons.

[*Later:*]

SUGGESTED PLACING OF GOVERNMENT CONTRACTS IN SURPLUS LABOUR AREAS

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): I should like to direct a question to the Minister of Labour. Is the minister's department familiar with defence mobilization manpower policy No. 4 of the United States? If so, has any study been given to placing industrial and government contracts in areas where there is a surplus of labour, as is being done in the United States?

Hon. Milton F. Gregg (Minister of Labour): The hon. member kindly sent me notice of his question. Officers of my department are familiar with defence mobilization manpower policy No. 4 of the United States, and have discussed with the officials of the office of defence mobilization of the United States the way this policy has been operating both before and after their revised policy which was issued in November, 1953.

Hon. members will appreciate that there are important differences between the defence production programs in the United States and in Canada, the extent to which the facilities for defence production are distributed throughout the country, and other factors, and there are definite limitations to the extent to which such a policy could be applied in Canada. The general question of decentralization of defence production has been raised in the house on a number of occasions, and has been discussed by my colleague, the Minister of Defence Production.

Mr. T. S. Barnett (Comox-Alberni): Supplementary to the question asked by the hon. member for Cape Breton South, in view of the fact that the minister feels the policy being followed in the United States cannot be implemented in this country, can the minister tell the house whether or not the government is considering extending the available unemployment insurance benefits to workers in those areas or in industries such as textiles or farm machinery where unemployment is more than seasonal in nature?

Mr. Gregg: The unemployment insurance benefits are applicable to those industries which the hon. member mentioned just now.

SHIPPING

INQUIRY AS TO SERVICE BETWEEN WEST INDIES AND CANADA

On the orders of the day:

Mr. A. J. Brooks (Royal): I should like to direct a question to the Minister of Transport. It arises out of his statement with reference to West Indies trade which we were very pleased to hear. Will the Canadian National Railways boats that formerly operated between the West Indies and Canadian ports be again put into operation on this trade route?

Hon. Lionel Chevrier (Minister of Transport): Last year or the year before we decided to withdraw the "Lady" boats, but I think it is the intention of Canadian National Railways to operate the ten or twelve cargo ships still remaining in 1954.

Mr. Brooks: The "Lady" boats are not being put on again?

Mr. Chevrier: The "Lady" boats have been sold.

WEATHER SHIPS

INQUIRY AS TO CONTINUED OPERATION OF STATION "PETER"

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): I should like to direct a question to the Minister of Transport arising out of the statement he made. Will Canadian weather ships maintain their operations at station "Peter"

in the Pacific, although United States weather ships are reported to have withdrawn from that Pacific station?

Hon. Lionel Chevrier (Minister of Transport): The question which the hon. member asks me, Mr. Speaker, has nothing to do with the statement I made earlier. However, I shall be glad to answer his question. The question has to do with a weather ship in the Pacific ocean, and I was dealing with weather stations on the Queen Elizabeth islands. The answer to the question is that we have not decided to withdraw the operations at station "P" in the Pacific. On the contrary, it is our intention to carry on that operation and I think, although I speak from memory now, provision is made in the estimates for this fiscal year for the operation of that station.

ARMED FORCES

REQUEST FOR TABLING OF ALLEGED REPORT FOR REFORMING RESERVE ARMY

On the orders of the day:

Mr. O. L. Jones (Okanagan Boundary): Has the attention of the Minister of National Defence been drawn to a statement by Arthur Blakely in today's Montreal *Gazette* that a top secret report outlining methods for reforming the reserve army may eventually be made public? Can the minister inform the house as to the date on which this report will be tabled?

Hon. Brooke Claxton (Minister of National Defence): Yes; I have seen the statement and I can tell the hon. member and the house that it is not likely the statement to which he is referring will eventually prove to be true. This was the subject of a statement I made to the house on January 25, 1954, and a press release, to which I have nothing to add at this time.

EXTERNAL AFFAIRS

ALLEGED LACK OF CANADIAN SOVEREIGNTY—STATEMENT BY PARLIAMENTARY ASSISTANT

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to direct a question to the parliamentary assistant to the minister of external affairs. Did the parliamentary assistant state that Canada is not possessed of full and complete sovereignty, as indicated in a report of his speech in Montreal on Friday night? If so, in what respect do we lack sovereignty?

Mr. Speaker: I do not think the hon. member should reply to questions in this house concerning statements he has made outside the house. If the question related to a statement made by a cabinet minister it might be different, but I doubt very much whether we should initiate a procedure here whereby a member is to be asked whether he made certain statements in speaking outside this house at a public meeting. If the hon. member wishes to reply, of course, I leave it up to him.

Mr. Fulton: On the point you have raised, Mr. Speaker, may I point out that it is not like asking a private member, which I agree would not be in order. This is a question directed to a parliamentary assistant to a minister in connection with a matter which touches on the responsibility of the department to whose minister he is assistant. I believe the house is entitled to information on the subject with which the parliamentary assistant was dealing.

Mr. Pouliot: The Tories have a colonial mind.

[*Later:*]

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, without in any way transgressing the ruling which you made a moment ago when the hon. member for Kamloops (Mr. Fulton) asked his question, I should like to ask the Secretary of State for External Affairs (Mr. Pearson) whether the speech in question of his parliamentary assistant was brought to his attention, and what if anything the government intends to do in order to achieve what the parliamentary assistant described as full Canadian sovereignty.

Mr. Speaker: Perhaps the hon. member should look at Beauchesne's third edition, citation 295 (z) which states:

> A question, oral or written, must not refer to speeches made outside the house; but in the case of cabinet ministers it is permissible to ask Prime Minister whether such speech represents policy of government.

The hon. member is quite right in asking the question he asked, but I think he ought to put the question in a different way, and ask whether or not the policy of the government is to such and such effect.

Mr. Diefenbaker: If I may speak to the point of order, I think the rule was made before we had this system of parliamentary assistants. I can scarcely believe that it would ever have contemplated that they speak without responsibility.

Mr. Speaker: Perhaps the hon. member is quite right, but I suggest his question might be directed to the minister to whom the hon. member is parliamentary assistant, and that it might be in the following terms: Was the

parliamentary assistant, speaking on such a date, speaking with the authority of the minister, or was he stating government policy?

Mr. Diefenbaker: Thank you, Mr. Speaker. I find difficulty in drafting the question properly. May I ask the minister this question. Did the parliamentary assistant to the minister speak with the authority, connivance or knowledge of the minister?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I would assume that that is a quite improper question, but possibly I might reply in this way: The parliamentary assistant to the Secretary of State for External Affairs remains a private member, and has all the rights of a private member, and spoke as a private member in making this statement.

Mr. Pouliot: That should be interesting to the advocate of the four freedoms.

WATER POLLUTION

NORTH SASKATCHEWAN RIVER—ALLEGED KILLING OF FISH

Mr. A. M. Campbell (The Battlefords): Has the Minister of National Health and Welfare received a reply from the minister of public health in Alberta to the telegram which was read in the house yesterday? If so, will he indicate the nature of the reply?

Hon. Paul Martin (Minister of National Health and Welfare): The hon. member was kind enough to give me notice of his intention to ask this question. About an hour ago the deputy minister of health in Alberta acknowledged receipt of the telegram in a telephone conversation he had with the deputy minister of national health and welfare, and on behalf of the government of Alberta he expressed his appreciation of the further offer of co-operation which had been projected by the federal government. Since that time we have made arrangements to send out additional officers, notably in the chemical division of the health engineering division of the department. I may say also that I was talking to the minister of health in Saskatchewan, who expressed similar appreciation.

VETERANS AFFAIRS

INQUIRY AS TO ESTABLISHMENT OF COMMITTEE

On the orders of the day:

Mr. Victor Quelch (Acadia): Is the Minister of Veterans Affairs in a position to say whether or not it is the intention of the government to set up a special committee on veterans affairs at this session of parliament?

[Mr. Speaker.]

Hon. Hugues Lapointe (Minister of Veterans Affairs): The matter is being considered at the present time. I hope to make an announcement in the near future.

CANCER

RESEARCH INTO RELATION BETWEEN SMOKING AND LUNG CANCER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of National Health and Welfare? My question is based on a press report published recently, a copy of which I sent to the minister, referring to Dr. Alton Ochsner's statement as to a definite association between cigarette smoking and lung cancer. Can the minister say whether his department will consider having research in Canada conducted into this question directly rather than on the side, as he indicated to me on December 16 last?

Hon. Paul Martin (Minister of National Health and Welfare): That consideration is now under way.

ST. LAWRENCE SEAWAY

INQUIRY AS TO PROVISION IN ESTIMATES FOR COMMENCEMENT OF WORK

On the orders of the day:

Mr. J. W. Noseworthy (York South): May I direct a question to the Minister of Transport? Will the minister comment on the report in the Montreal *Gazette* this morning to the effect that the government is making no provision in the estimates for starting work on the St. Lawrence seaway this year? I sent the minister a copy of the report.

Hon. Lionel Chevrier (Minister of Transport): I thank the hon. member for sending me notice of this question. I saw the report in the Montreal *Gazette*, and as usual, or, perhaps to be fair, as sometimes happens in the case of this reporter, it is inaccurate. In December, 1951, this parliament passed an act, the St. Lawrence Seaway Authority Act, authorizing the expenditure of up to $300 million. This act is not yet proclaimed, but will be proclaimed when the time comes; and the expenditure is provided there, so an item in the estimates is not required for that purpose.

SENATE AND HOUSE OF COMMONS

AMENDMENTS TO INCREASE SALARIES OF SPEAKERS AND DEPUTY SPEAKER, SESSIONAL ALLOWANCES OF MEMBERS, ETC.

Right Hon. C. D. Howe (for the Prime Minister) moved the third reading of Bill No. 171, to amend the Senate and House of Commons Act.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Drew: Mr. Speaker, I hear expressions of impatience on the part of those members who have indicated their impatience on earlier occasions in regard to this same measure.

I rise now simply to deal with two statements which I could have dealt with on a question of privilege but which, it seems to me, might properly be dealt with at this time. Our position in regard to this measure was fully, clearly and definitely stated in the debate on second reading, where we have dealt with this subject by vote. But I do wish at this time to deal with two statements that have been made.

I read in one periodical publication a statement that prior to the presentation of this measure in parliament I had privately indicated my support of the measure. I wish to say with the utmost emphasis that the statement made in the periodical containing that statement is wholly untrue. I wish to make it definite and to say with the utmost emphasis that I have never at any time, in private conversation or by any private exchange of opinions, taken any position different from that which I took when the measure came before the house.

Then I find also it has been said that I was consulted in regard to this, and that because of certain considerations I withdrew from a position I indicated I might take. Under the rules of parliament it is difficult to deal with a statement of that kind in adequately effective terms. Nevertheless I simply wish to say again with the utmost emphasis that this statement that has been made, and has been repeated, is utterly untrue.

I thought it had been disposed of by the statement of the Prime Minister (Mr. St. Laurent) when he made it clear that the government had taken full responsibility, and that there had been no discussion of any kind in regard to this measure. I wish to place it on record very definitely that until I was informed by the Prime Minister, as a matter of courtesy, just before the motion was placed on the order paper, that it was going to be done, I had no idea what this bill contained. And I am perfectly certain that the leader of the C.C.F. party and the leader of the Social Credit party are in precisely the same position.

Mr. Coldwell: The Prime Minister said so.

Mr. Drew: The Prime Minister made that clear in the house, and made it definite; but I wish to go still further and say that I did not, either directly or indirectly, discuss this matter with the Prime Minister, with any member of the government or with anybody acting on their behalf or purporting to act on their behalf.

I hope this will dispose of the kind of smart statements that seem to be regarded as appropriate reporting by some of those who fail to take note of definite statements made in parliament with the degree of seriousness they deserve. Those statements should not be made unless these people are prepared to check the facts and to afford to both sides an opportunity to indicate what the facts really are.

I hope I have made this perfectly clear. Without reservation of any kind I wish to repeat what I said to the Prime Minister when he was here. At no time had he indicated to me in any way what the contents of this bill would be until he informed me of the general provisions just before the motion was placed on the order paper. And even at that time I did not see the bill, nor did I know the exact details it contained.

My position in this matter was stated clearly on second reading, when the principle of the measure was voted upon. I wish to point out again that at that time we were not voting merely on any one particular increase in allowances; we were voting on the principle of the increase in all the allowances contained in the measure. I made it clear that it was to that rolled-up package I objected. I still object; I still am opposed to this bill and for the reasons I have fully stated. I regret very much that the government has not seen fit to accept either of the two suggestions I made that this bill should be referred to a royal commission or to a select committee appointed for the particular purpose of dealing with this measure, which would have no power, no authority in either case, except to inquire into the facts and to make its recommendations to the government for subsequent submission to parliament.

Since I have dealt with this on principle and have stated my position, I wish to indicate that I do not feel there is any occasion

to add anything further to what I hope will leave no doubt at any time about my position in regard to this measure in the way in which it has been presented to the house.

Mr. Speaker: Is the house ready for the question? Is it the pleasure of the house to adopt the motion?

Mr. Knowles: No.

And more than five members having risen:

The house divided on the motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Adamson
Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Barnett
Batten
Benidickson
Bennett (Grey North)
Bertrand
Blackmore
Blanchette
Boisvert
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Boucher (Restigouche-Madawaska)
Bourget
Bourque
Breton
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carter
Cauchon
Cavers
Chevrier
Claxton
Cloutier
Cote
Crestohl
Croll
Dechene
Deschatelets
Dickey
Dumas
Dupuis
Enfield
Eyre
Fair
Fairey
Ferguson
Forgie
Fraser (St. John's East)
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gillis
Gingras
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Healy
Hellyer
Hollingworth
Holowach
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Gaspe)
Lapointe
Leboe
Leduc
Lefrancois
Legare
Low
Lusby
MacDougall
MacEachen
MacKenzie
Macnaughton
McCubbin
McCulloch (Pictou)
McDonald
McGregor
McIlraith
McIvor
McLeod
McMillan
McWilliam
Masse
Matheson
Mitchell (Sudbury)
Monette
Nickle
Nixon
Noseworthy
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Pouliot
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
Schneider
Shipley, Mrs.
Simmons
Sinclair
Stick
Stuart (Charlotte)
Studer
Thibault
Thomas
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Winch
Winters
Wood
Wylie
Yuill—153.

NAYS

Messrs:

Aitken, Miss
Argue
Bell
Bennett, Miss (Halton)
Blair
Brooks
Bryson
Cameron (Nanaimo)
Campbell
Casselman
Castleden
Coldwell
Diefenbaker
Drew
Ellis
Fairclough, Mrs.
Fraser (Peterborough)
Fulton
Green
Hees
Hodgson
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
Michener
Mitchell (London)
Monteith
Nesbitt
Nicholson
Nowlan
Pearkes
Regier
Robinson (Bruce)
Small
Stanton
Stewart (Winnipeg North)
Thatcher
Trainor
Tustin
Zaplitny—46.

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

Mr. Knowles: On a point of privilege, Mr. Speaker, may I say that the hon. member for Kootenay West (Mr. Herridge), who is absent because of illness, asked me to record the fact that he would have voted against third reading of this bill.

POST OFFICE ACT

AMENDMENT TO INCREASE POSTAGE ON LETTERS AFTER APRIL 1, 1954

The house resumed, from Monday, February 8, consideration in committee of Bill No. 168, to amend the Post Office Act—Mr. Cote—Mr. Robinson (Simcoe East) in the chair.

On clause 2—*Coming into force.*

The Chairman: When the committee rose previously we were considering an amendment proposed by the Minister of Citizenship and Immigration. Shall the amendment carry?

Mr. Fulton: Mr. Chairman, I rise on a point of order. I submit to you that the amendment moved by the Minister of Citizenship and Immigration is clearly out of order. I base my submission on two main grounds. The first one is that it contravenes the rules concerning amendments. The second ground is that, as this bill is a money bill, the amendment, which I submit will possibly result in the imposition of a charge on the Canadian people, should have been contemplated by the terms of the resolution which was considered in committee of the whole before the bill was introduced, and that the present amendment clearly exceeds the terms of the resolution which received the approval of the committee of the whole.

In connection with the first ground, Mr. Chairman, I submit that the amendment offends in three ways the rules regarding amendments. First, it offends in that it is not really an amendment; second, it is not relevant; and, third, it offends in that it raises new matter which can only be raised by a distinct motion after notice. We have not had any notice.

I would direct your attention, Mr. Chairman, to the fact that what we are asked to do here is as follows, and I am reading from the amendment as reported at page 1902 of *Hansard:*

> That clause 2 of Bill No. 168 be renumbered as clause 3, and that the following clause be inserted as clause 2 . . .

Then follows the detail of that proposed clause 2. I shall not read that at the moment although I shall have occasion to do so later. I submit to you that that is not, in fact, an amendment to clause 2 at all. I think it is important for us to realize the position we are in or were in prior to the moving of this amendment. The question before the committee was "Shall clause 2 of the bill carry"? Clause 2 reads as follows:

> This act shall come into force on the 1st day of April, 1954.

That is clause 2. The question before the committee was that clause. The amendment does not seek to amend clause 2. It seeks to delete it altogether and to substitute some other proposition. In that connection I would refer you to Beauchesne, third edition, page 129, rule 48:

> When a question is under debate no question is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; or for the adjournment of the house.

Then there are laid down clear rules as to what constitutes an amendment and it is stated that a mere negative does not constitute an amendment. What we are asked to do here is not to amend clause 2 of the bill in order to substitute some other date for the coming into force of this act; what we are asked to do is to delete clause 2 altogether and to substitute something else for it.

Turning to the other grounds in connection with this matter of whether or not it offends the rules with regard to amendments, Mr. Chairman, I refer you to citation 344 of Beauchesne's third edition, at page 136, which reads as follows:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed. Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.
>
> The law on the relevancy of amendments is that if they are on the same subject-matter with the original motion, they are admissible, but not when foreign thereto. The exceptions to this rule are amendments on the question of going into supply or ways and means.

This not being a motion to go into supply or ways and means, that exception does not apply. I therefore submit that this amendment clearly contravenes that rule on the relevancy of amendments which says that if they are on the same subject matter with the original motion they are admissible, but not when foreign thereto. What we are asked to do here is to substitute for clause 2, which concerns the date of the coming into force of the act, a new clause which deals with the question of postal rates applicable to magazines and newspapers. There could not be anything much more foreign to the subject matter of the original proposed clause 2. It therefore seems to me that the amendment is clearly out of order on the ground of relevancy.

May I also refer you, Mr. Chairman, to citation 354 of Beauchesne's third edition, which reads as follows:

> An amendment setting forth a proposition dealing with a matter which is foreign to the proposition involved in the main motion is not relevant and cannot be moved.

Again the motion before the committee is: "Shall clause 2 carry?" The Postmaster General now asks us not to carry clause 2 dealing with the subject of the coming into force of the act but to change it altogether and to carry an amendment which deals with the question of postage rates on magazines and periodicals.

Then the third ground on which I say the amendment offends the rule regarding amendments is that it raises new matter. In the first place, I have submitted that it is not an amendment at all. In the second place, I have submitted that it is not relevant. In

the third place I now come to the proposition that it raises new matter which can only be moved by a distinct motion after notice. I refer you, Mr. Chairman, to citation 355 at page 139 of Beauchesne's third edition which cites the precedent as follows:

An amendment was ruled out because it raised a new question which could only be considered on a distinct motion after notice.

Beauchesne there cites as his authority the Commons *Journals,* volume LXVI, pages 109-11, where the proposition was laid down in the house in February, 1929. I am not going to read the lengthy record as it appears in the *Journals* at pages 109 to 111, but I respectfully suggest, Mr. Chairman, that if you will refer to that authority you will see that the proposition there set forth—and, I might say, always since accepted by the house—is authority for the point that I now put forward in opposition to this amendment.

I realize that from time to time amendments have been made in this manner in committee on a bill. For instance, I recall the amendment made just recently to the Senate and House of Commons Act where a new section was included; but I point out to you, Mr. Chairman, that that was done by unanimous consent. Here unanimous consent was not asked for and I want to make it quite plain that unanimous consent is certainly not being given.

Then I should like to deal for a moment or two with the logic behind the situation. Here, for nearly a week we have been considering amendments to the Post Office Act which are confined to the question of letter mail. The reason for the rule that new matter can only be raised by a distinct motion after notice is to avoid the house's being taken by surprise and being asked to make up its mind on a question which has never been before it and about which it has had no opportunity for reflection.

That is exactly the ground on which the original authority was decided, the case I have referred to at pages 109 to 111 of the *Journals* of 1929. Here we were asked to consider the question of letter rates, an increase in the postage on letters. It is true that we dug out of the Postmaster General yesterday that there was also going to be an increase on postcards. But, sir, we had no indication at any time previously that the house was going to be asked to amend the Post Office Act with respect to the facilities extended to those who use the post office for posting periodicals and newspapers. There is indeed some question in the government's mind as to whether this provision will extend to newspapers.

I am dealing with the logic of the situation. We are asked to deal with a new matter which was introduced at five minutes to ten last night. The government itself does not even know what the effect of the amendment will be, as is obvious from the interchange which took place as recorded in *Hansard* for yesterday. I am not going to deal with that at length. I expect that the hon. member for Winnipeg North Centre will have something to say about it. But it does establish clearly that there is disagreement between the ministers as to the effect of this amendment.

Furthermore, I can only suggest, if this matter was so late in coming to the attention of the government that they could not deal with it until five minutes to ten last night when they presented us with an amendment of which they only had two copies, with the result that the Leader of the Opposition and the Postmaster General were the only ones who had one, that nothing could establish more clearly that it not only is a contravention of the rules regarding amendments to present this to us at that time, but that it would most definitely and improperly take the house by surprise to be asked to deal with it. Apparently it was a last-minute decision on the part of the government to introduce it. They did not mind springing it on the house as a surprise, but I want to make it perfectly clear that we are fed up with the way in which this bill has been handled and the way in which we have been confronted with a constant series of surprises.

Although in some circumstances we might have been disposed to give unanimous consent to introducing this amendment at this stage, it has now been made clear that the government is exceeding the limits of all propriety, and we are going to insist that for a change the government abide by the rules which are in force for the conduct of the business of the house.

I come to the question of the second ground upon which I claim the amendment is out of order. What we have before us is a money bill, and an amendment to enlarge its terms is out of order unless it was contemplated in the terms of the resolution which preceded the bill. I am not going to go into the arguments, which are quite extensive, as to whether or not it is a money bill. I simply point out to you, Mr. Chairman, that the government has itself accepted the proposition that it is a money bill because they introduced it by way of a resolution. I accept that proposition. I point out further that a money bill is not only one which deals with ways and means but, for the purposes

of this rule, is one which imposes a charge upon the people. Because this measure raises the postage rates and thus imposes a charge upon the people, I assume it was on those grounds that the government decided it was a money bill and dealt with it as a money bill. I quite agree that that was a sound decision.

This proposed amendment was not hinted at in any way, shape or form in the resolution which preceded the bill. I should like to read that resolution. It is as follows:

That it is expedient to amend the Post Office Act to increase the rates of postage on letters posted in Canada from the first day of April, 1954,

(a) on each letter for delivery within the postal area in which it is posted, from three cents to four cents for the first ounce or fraction of an ounce . . .

(b) on each letter posted within one postal area for delivery in another postal area from four cents to five cents for the first ounce . . .

The resolution is confined exclusively to the rates of postage on letters. By the terms of the resolution the government has asked us to consider the expediency of introducing a bill to increase the charges for letters. There is no reference anywhere to the question of charges to or facilities available for those who use the post office for the postage of magazines and newspapers, which is the subject of the proposed amendment now before us.

The government may have sought to cover this point in the last clause of the proposed amendment. After stating that the Postmaster General may make regulations dealing with this matter, it provides that he may do so on the following terms:

. . . that the application of this section to the newspaper or periodical when so posted will not adversely affect the postal revenues.

It might be contended that since this will not upset the balance of ways and means it is not an enlargement of the terms of the resolution; but I point out that it is quite possible that the effect of this amendment would be to increase the charges made against those who use the facilities of the post office for posting magazines or newspapers. In that respect not only does it exceed the terms of the resolution which the house passed but it contravenes the rules on dealing with money bills. Here I should like to quote the authority of Beauchesne's second edition, citation No. 791, at page 225, which reads as follows:

The committee—

The reference is to the committee of the whole, which is this committee.

—cannot agree to any clauses involving payments out of the public funds, or imposing any tax or charge upon the people unless such clauses have been previously considered by resolution in committee of the whole.

In other words, this proposed amendment should have been included as one of the subject matters in the resolution which preceded the bill and which was adopted by the committee of the whole house. I should also like to refer to Bourinot, fourth edition, which I might point out is an authority referred to throughout by Beauchesne. At page 503, after having dealt at some length with the general provisions regarding bills involving public aid or charges, he says:

The rule just cited also applies to the imposition of any state tax or charge upon the people or any class thereof.

As I have said, it is quite clear that the proposed amendment may well involve a charge upon those who use the mails for the purpose of posting magazines and newspapers. They are a class of people who would be subject to a charge, and therefore on the basis of the authority of Bourinot, page 503, the proposed amendment is clearly out of order.

There are a number of other citations which might be read in support of my submission, but I think for the time being I will let the technical case rest there. I would again like Your Honour to consider the logic and common sense of the matter. As I have said already, we have been exposed to a number of surprises in the course of our dealing with this bill, and last night this one, at five minutes to ten, was the last in a long series of surprises of the sort which the rules of the house were clearly designed to prevent. I suggest to you, sir, that in fairness to the committee, which is part of the House of Commons, the committee should not be asked to allow the government to continue to spring surprises on it in this improper manner, but that the government should now be required to abide by the rules of the house and should withdraw this amendment. Indeed, I suggest that while they are doing it it would be as well, and highly proper, if they would withdraw the whole bill, which in general has been dealt with by them in this same improper manner.

Mr. Knowles: I congratulate the hon. member for Kamloops, Mr. Chairman, on the excellent case he has made against the propriety of the amendment which was moved last night. My remarks will be much briefer than they might otherwise have been, owing to the fact that the member for Kamloops has quoted most of the citations that bear on this point. I have been checking off the ones I had, one by one, as he read them. However, there is still one important citation which he either overlooked, or perhaps out of his generous nature he left for me.

I want to say that I recognize the possibility of someone from the government side answering some of the arguments the member for Kamloops has advanced. I say this, even though I am supporting the position taken by the hon. member, not to weaken any of his arguments but to make it clear to the Minister of Citizenship and Immigration or anyone who speaks from that side that an answer to one of the points or even two does not demolish the third one. The Minister of Citizenship and Immigration holds up three fingers, but he cannot demolish the third one.

Mr. Cote: You are expecting demolition.

Mr. Knowles: With regard to the first point made by the member for Kamloops, I would say he is correct in stating that the amendment proposed by the Minister of Citizenship and Immigration is not a proper amendment to clause 2 of the bill. He made his case well, and I think it stands.

However, it is true that the government could get around that by withdrawing the amendment, as an amendment to clause 2 of the bill, and introducing it as a new clause. I believe that could be done under citation 670 of Beauchesne's third edition. I suggest that, as I say, not to weaken the case of the member for Kamloops but to let the other side know they are not going to get anywhere by trying to make anything out of that argument. Technically, the member for Kamloops is correct, but it could be done in this other way, provided the other arguments the member for Kamloops has put up were not in the way.

The second argument which the member for Kamloops has made is again one that the government will try to attack, and of course, they will be satisfied that they are attacking it successfully, but in my view they will not. I refer to his argument that this is a money bill, and that it is not proper to introduce an amendment to a money bill which goes beyond the scope of the resolution preceding the bill itself. The government will argue, as the member for Kamloops has already pointed out, that in the very words of the amendment the government proposed to put in the bill there is the suggestion that the power given to the Postmaster General shall not be exercised if it would result in an adverse effect upon the postal revenue.

I point out, however, Mr. Chairman, that it is possible, under this proposed amendment, for certain periodicals or magazines to find that the amendment's provisions are to them an advantage. As a result of that advantage they might well increase their circulation, and as a result of that draw a greater subsidy from the federal treasury. Every magazine or newspaper that is posted today is posted in part at public expense. There is an element of subsidy there. If the circulation of any newspaper or magazine is increased, a result of this subsidy is that the loss to the treasury will be increased to that extent. My contention is that even though the Postmaster General may say that this is not to result in any loss of postal revenue per unit, it could result in a loss in this other way. I submit the amendment could have the effect of upsetting the balance of ways and means of the treasury as a whole, and therefore the point the member for Kamloops made in that connection is valid. This amendment should not have been made since it goes beyond the scope of the money aspect of the resolution that preceded the bill.

Now, Mr. Chairman, I come to the third point raised by the member for Kamloops. I submit that on this point the government has not a leg to stand on. It has been made crystal clear in the house time and time again, especially when members of the opposition violated this point, that a bill amending one section or one part of an act does not open the whole act. What the government did in this case was to introduce a bill amending section 10 of the Post Office Act. Nothing could be clearer, because it was stated in the resolution that it was to be a bill dealing only with rates of postage on letters. When we got the bill based on the resolution, to all intents and purposes it was a bill of one clause. Clause 2 had to do with the date it comes into effect. There was just the one operative clause which amends section 10 of the Post Office Act, and nothing else.

I insist, Mr. Chairman, that by virtue of the ruling that has been made from the chair of this committee as well as from the chair of the house time and time again, the amending of one section of an act does not open the whole act. If such action does not permit members on this side of the house to discuss other sections of an act, certainly it is equally clear it does not permit the government to open up other sections of an act by an amendment of this kind. This amendment now before us does just that. It opens up section 11 of the Post Office Act, to which there was no reference in the original resolution, no reference in the bill and no reference in the speeches or announcements on this matter made by the government. I submit the amendment goes far beyond what is allowed by the rules of the house, and far beyond the rulings that have been made in this house time and time again. Whatever satisfaction the Minister of Citizenship and

Immigration may get out of trying to worm around the first two points made by the member for Kamloops, he is up against it when he comes to the third one. He cannot answer it at all.

The one citation which the member for Kamloops left for me is citation 671 in Beauchesne's third edition. It is also citation 792 in Beauchesne's second edition, and follows citation 791 which the hon. member read a few minutes ago. This citation reads:

> A new clause will not be entertained if it is beyond the scope of a bill . . .

I submit, Mr. Chairman, that this amendment clearly goes beyond the scope of the bill which was laid before us, and the government has no right to introduce it in this way. The government has the right to give notice in the usual way, to announce the Governor General's approval and deal with it in a proper parliamentary way. I do not deny that for a moment. But I do deny the government's right to play fast and loose with the rules just because of their majority; I deny their right to try to do things in this way.

I shall have something more to say about the substance of the amendment if it is allowed to stand. I shall have something more to say on the kind of explanation that was made last night by the Postmaster General in the light of information I have received since, if the amendment stands. However, such an argument would be on the substance rather than on procedure. I could continue, but it seems to me that on the one main issue the case is so clear you have no alternative, Mr. Chairman, but to say to the government that the amendment goes beyond the scope of the bill. It opens up a section of the Post Office Act which was not opened up by the original resolution, or by the bill, and therefore is not in order as an amendment moved in committee of the whole in this way.

Mr. Harris: I think I could dismiss the first two reasons advanced by the hon. member for Kamloops by using the words of the hon. member for Winnipeg North Centre.

Mr. Knowles: You should agree with the member for Winnipeg North Centre on the third point, too.

Mr. Harris: Because the hon. member for Winnipeg North Centre occasionally shows some sense of wisdom is no reason why I should agree with him on every occasion.

However, before I accept his argument about the first two points I should point out one difference. The hon. member for Kamloops said that a precedent, if you will, or a practice, if you will, was followed the other night by unanimous consent. It was not done by unanimous consent. I have read the record since he spoke and I see in it no reference to unanimous consent.

Mr. Fulton: What I had in mind was—perhaps I should have used the words—that there was no objection taken. Therefore is not unanimous consent automatic? It seems to me that would follow.

Mr. Harris: I would not want my hon. friend to feel that in future he could not agree with a procedure we adopt here. I hope that on many occasions he will do that. So we will just note that he did intend to say that there had been no objection taken at that time to the procedure, and assume from that that he had some reservation about it. And now he has made that known on this particular point.

But I do wish to say, Mr. Chairman, that it seems to me we have on more than one occasion done what my hon. friend has referred to. I shall not try to cite examples of it. But all of us have been here long enough to know that it has been done on several occasions, where the final clause of a bill has had to be renumbered, or where many clauses have had to be renumbered because of the insertion of one which was not there in the first instance.

If the arguments made by the two hon. members are valid, then we never should have done this at any time, on any occasion, in the manner we are now proposing here, namely to renumber subsequent clauses and introduce new ones.

Mr. Fulton: It is all right, so long as it is within the scope of the bill.

Mr. Harris: I will come to that.

The first argument therefore is, I suggest, entirely out of court for the reasons I have given.

Then, the second argument is that, this being a money bill, therefore we should not amend it and thereby, as I take it, add another burden to the public charge of Canada. That of course is a matter of opinion—as to whether the result of this bill would be a public charge. Indeed, if I remember correctly, during the course of his explanation last night, in referring to the amendment the Postmaster General said that we would save money in doing this, rather than spend it. I am paraphrasing this, because he did not add the latter part of what I have said. However, he did say that we would have a saving. I do not think he added the additional negative—that we would not spend any more. However, I think that is what he meant.

That being the case, I suggest to you, Mr. Chairman, that there is not an additional charge, and that it is not necessary that this should have been covered in the original resolution. Practically every bill presented to parliament has some effect with respect to a public charge. Even the cost of printing it is one, in itself.

The whole point we are to determine, of course, is how remote the charge is, and as it becomes more remote, then it does not come within the requirements of the resolution. And as both hon. members have pointed out, they have to argue that it is possible that there might be a charge, despite the care with which the amendment was drafted, to impose upon the Postmaster General certain obligations to see that a charge did not in fact occur. Now it was not entirely an oversight that this was drafted in that way—though I am not suggesting that we had in mind bringing this in at that time.

Let me make some brief references to additional material supplied by the hon. member for Kamloops about the supposed motives we might have had under these circumstances. This amendment—and I frankly confess it—was not available at the time the resolution was drafted. I do not suggest that, if it had been, it might necessarily have been included in the resolution. But we desire to put this in at this time for the very obvious reason that the Post Office Act is now being amended, and it is more convenient to do it in this manner—subject to what I shall say in a moment—and that it is proper to do so, in order to avoid duplication of debate in the house.

The question of surprise is the only one upon which I have anything to say, or concerning which I have any sympathy in respect of the arguments made by my hon. friends. You can amend bills in committee. There are ever so many citations in Beauchesne which were not read by my hon. friends. In fact, I think there is a citation which goes so far as to say that you can amend a bill to the point where it is scarcely recognizable at all, and that when you have passed that point possibly the government should withdraw it and start over again.

But there is no suggestion that it is not proper to amend in this way in committee. The only qualification is the case that has been mentioned, namely, that it is desirable, for the sake of the expedition of public business, that hon. members in the house should not be surprised or, if they are surprised, that they should be given ample opportunity to consider what position they wish to take.

Mr. Knowles: And it has to be within the scope of the bill.

Mr. Harris: I will come to that. And under these circumstances, as I pointed out last night, we were prepared to make this amendment any time clause 1 was carried, and to allow any reasonable time there might be for the consideration of it. The fact that it happened at five minutes to ten was pure coincidence. It could have happened at five minutes after eight. And if hon. members had wanted to delay it, they would have got the delay that they got at five minutes to ten.

We have now had the time since last night to consider the amendment, and it seems to me the surprise has gone. They have had ample time to consider it, if they chose to do so.

And now as to the constantly repeated request for an opinion as to whether this is within the scope of the bill. The scope of the bill is not to amend the Post Office Act generally. I agree with the hon. member for Winnipeg North Centre on that point. The scope of the bill deals with certain portions of the act, namely rates and the like.

Mr. Knowles: On letters.

Mr. Harris: Rates—

Mr. Knowles: On letters.

Mr. Harris: Rates and the like.

Mr. Fulton: Where does the minister get "the like"?

Mr. Harris: We will come to that. The principle involved in the bill is not violated by the amendment.

Mr. Fulton: That is your opinion.

Mr. Harris: My opinion is no better than yours in this house.

Mr. Knowles: That at least is a correct statement.

Mr. Pearson: Certainly it is no worse.

Mr. Harris: And, Mr. Chairman, it is not suggested by either speaker, except by a very remote argument, that this alters the public charge. It is stated by both of them that it is not within the scope of the bill. I submit it is. I submit there is nothing in the amendment to which my hon. friends could not now make a logical argument, if they so chose.

For that reason I suggest to you, Mr. Chairman, that you might consider it within the competence of the committee to consider the amendment. And if anyone wanted to quote any authority for what I have been saying, he could go over all the references that have been made and point out that they are followed by somewhat contradictory

references. In particular we can start with the one numbered 347 at page 138, which says, very generally:

> Amendments may be made in every part of the bill, whether in the preamble, the clauses or the schedules;

And so on. Then we move on to the one that was referred to, namely, No. 671 on page 232, and I refer to No. 673, which reads:

> When a member intends to move an important amendment in committee of the whole to a public bill, he is not required, according to Canadian practice, to give notice of such amendment.

The rest is as I said a moment ago:

> It has been found expedient, however, in some cases, to give notice where the member desires to call special attention to his proposal.

And then, I go to citation 681, which is the one I referred to, which says that you can amend it out of all recognition of what you contemplated in the first place.

Then I come to the ruling which is found on page 568, which is rather an old one, I admit; but the headnote of it reads:

> Any amendment can be made to a bill in committee of the whole provided it is relevant to the subject matter of the bill, or pursuant to instructions.
>
> An amendment restrictive of the expenditure of public money is in order.

The hon. member for Winnipeg North Centre made one point when he spoke of the fact that he was not permitted to discuss other sections of the Post Office Act on the amendment. For example, when you make an amendment to section 11, you confine your discussion to section 11. That is quite true. There is nothing being done here which alters that. You may indeed discuss the section that we are proposing to amend, but that seems to me to be the limit of the discussion. I do not understand the distinction, however. Obviously, you would not want to discuss a section of the bill that was not being dealt with.

Mr. Fulton: May I reply very briefly to the minister on this point of relevancy? I do not accept the argument on all the other matters, but he was prepared to agree that the matter of relevancy, the question of whether it raises new matter outside the scope of the bill, was the point of substance, the main point. I state, sir, that he has not dealt adequately with that point. He has simply said that in his opinion the subject matter of the proposed amendment is relevant to the bill. In support of his argument he alluded to a citation in Beauchesne which says in effect that the bill could be amended almost beyond recognition. In passing he then referred to the opening words of the citation which sets out that proposition. I draw his attention and yours and also that of the committee to the fact that the minister did not read the succeeding words which are italicized. I am going to read the whole of that part of the citation because it is the nub of the matter. Citation 681 reads:

> The committee can so change the provisions of the bill that when it is reported to the house it is in substance a bill other than that which was referred. A committee can negative every clause and substitute new clauses,—

And these are the words in italics:

—if relevant to the bill as read a second time.

Mr. Harris: That is correct.

Mr. Fulton: Now, what do we have here? We have a proposed amendment to the bill with respect to section 11. Section 11 deals with matters relating to newspapers. What was the bill that was read a second time? The bill was a short bill of two clauses. Section 1 said:

> Section 10 of the Post Office Act, chapter 212 of the Revised Statutes of Canada, 1952, is repealed and the following substituted therefor:

Then there was the new section 10 which dealt exclusively with the increase in rates of postage on letters. Clause 2 of the bill dealt with the date of coming into force. How can the Minister of Citizenship and Immigration expect you, sir, as a man of common sense, and expect this committee or any person in or out of the house, to accept the proposition that a clause dealing with the rates of postage or facilities available to people using the post office for magazines and periodicals is relevant to the bill as read the second time, which contained only the one clause dealing with letters and the other dealing with the date of coming into force?

I regret that the Minister of Citizenship and Immigration did not deal more adequately with the points that were raised, but I think the reason is obvious. It is that it is not possible in this instance to advance seriously the proposition that this amendment is relevant to the bill as read the second time.

Mr. Knowles: Mr. Chairman, I will not take any time to discuss further the first two points that were proposed by the hon. member for Kamloops, and on which I commented later, and to which the minister replied. I do not suggest, though, that I concede that the minister's arguments on those points are valid, but we will not take any more time on them. I do submit, however, that the Minister of Citizenship and Immigration is really stretching logic and stretching a few other things when he suggests that it is possible to argue that by amending this bill to bring in an amendment to section 11 you thereby make in order a discussion on the

things that are referred to in section 11. To begin with, section 11 is not referred to in the bill.

If it is possible by this method to propose a change in section 11 of the act, I draw your attention, sir, to the fact that there are 77 sections in the Post Office Act. Only one of them was amended by the proposed bill. If it is in order for an amendment to be moved altering sections other than section 10, then it is possible for us to go down the line and have 75 more amendments amending other sections of the Post Office Act itself.

The Minister of Citizenship and Immigration argued that the purpose of the bill—I am trying to recall the words he used—was to deal with postage rates on letters and the like. Let us not try to kid the troops that way, Mr. Chairman. There is nothing else in the bill but a reference to the rates on letters. Not only is there the exact wording to which the hon. member for Kamloops has made reference, but I draw your attention, sir, to the explanatory notes on the right-hand side of the bill which say:

> The purpose of this amendment is to increase the rate of postage on letters posted in Canada for delivery in Canada.

That is all the bill deals with. Yesterday when we got into a discussion on postcards the Postmaster General argued that that was not a matter that needed to come before the house, because it was covered by another section of the act. So far as periodicals and newspapers are concerned, they are in a section of the act that is not touched by the bill. I submit, Mr. Chairman, that if this is going to be allowed, then it is possible for the hon. member for Vancouver East to rise in his place and accept the invitation of the Minister of Trade and Commerce to move an amendment cutting out free postage for newspapers in certain instances. And it is possible for me to rise in my place and move an amendment to section 6(d) of the act.

To argue, as the Minister of Citizenship and Immigration has done, that this bill deals with postage rates on letters and the like, and that this amendment is within the scope of the bill because it comes under "and the like," is really begging the question. I submit, Mr. Chairman, that we need to rest our case only on what we have delineated as the third point, namely, that this amendment goes beyond the scope of the bill. That fact is crystal clear and on that basis the amendment should not be allowed.

The Chairman: I find myself in considerable difficulty with respect to the points of order made by the hon. member for Kamloops. I am required to consider the principle of the amending bill, and I should like to refer to a ruling of Mr. Speaker Macdonald on November 14, 1949, in which he said in part:

> 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".

Similar circumstances apply here, and I am particularly concerned about the question of relevancy. I was wondering whether the minister could be of more assistance to me on that phase of the matter, and could devote some attention to the question of relevancy in an attempt to aid the Chair.

Mr. Harris: Mr. Chairman, I deprecate these lengthy arguments on points of order. I have made my submission. I do not think the house need, if I may say so with respect, take any more time on it, and I for one would be content with whatever ruling you may make, and I certainly would not appeal.

The Chairman: This bill was preceded by a resolution in the following terms:

> Resolved that it is expedient to amend the Post Office Act to increase the rates of postage on letters posted in Canada from the first day of April, 1954.

According to the bill its purpose is as follows:

> The purpose of this amendment is to increase the rate of postage on letters posted in Canada for delivery in Canada.

That purpose, it will be seen, has been carried out in clause 1 of the bill. My attention has been drawn by the hon. member for Kamloops to three points of order. I will deal only briefly with the first two, because I do not think I could possibly rule the amendment out of order with respect to them.

Citation 670 of Beauchesne's third edition reads in part as follows:

> In committee all the clauses of the bill are considered before any new clauses are brought up and added to the bill.

That procedure has not quite been followed in this case, but I rather think the procedure which has been followed is perhaps a quicker procedure and I think it would be agreeable to hon. members.

With regard to the second point, that is that the amendment should have been preceded by a resolution, I do not think I can rule thereon in view of the remarks of the Postmaster General last evening. I do not believe that particular phase of the matter has validity. However, I am considerably troubled as to whether this amendment is relevant and I cannot help but feel that it is beyond the scope of the original measure.

I would like to draw to the attention of the committee citation 671 of Beauchesne's third edition, which reads as follows:

A new clause will not be entertained if it is beyond the scope of a bill, inconsistent with clauses agreed to by the committee, or substantially the same as a clause previously negatived.

I would also like to draw to the attention of the committee citation 678 of the same edition, which reads as follows:

Amendments cannot be moved which are based on schedules or other provisions, the terms of which have not been placed before the committee.

And then in citation 679 of Beauchesne's third edition there appears the following:

Amendments are out or order if they are (a) irrelevant to the bill, or beyond its scope, governed by or dependent upon amendments already negatived;

The minister has drawn my attention to citation 681 and in his remarks he mentioned the wide powers for amendment in committee. However, a careful reading of citation 681 reveals that these wide powers can only be exercised if relevant to the bill as read a second time. Then again, we have in May's fifteenth edition at page 530, under the heading "inadmissible amendments":

(1) An amendment is out of order if irrelevant to the subject matter (a) or beyond the scope of the bill.

I have examined the amendment carefully and the amendment deals with section 11 of the Post Office Act. I cannot find that it is relevant. I do feel it is beyond the scope of the bill. I therefore must rule the amendment out of order.

Mr. Harris: As I said in advance, Mr. Chairman, I am prepared to accept your ruling. But having reached this point where we now are and where we were at five minutes to ten last night, I propose to ask hon. members opposite if, following the remarks of the hon. member for Kamloops and subject to what he said they could agree on, on a previous occasion, they would grant unanimous consent to proceed with the amendment.

Mr. Knowles: I do not know what the hon. member for Kamloops is going to do but I would not give consent. I am opposed to the substance of the proposed amendment.

The Chairman: Shall clause 2 carry?

Some hon. Members: Carried.

Mrs. Fairclough: Mr. Chairman, last night there was considerable confusion at the time when the minister introduced this amendment. In this regard I would refer you to the end of page 1901 of *Hansard* which reads as follows:

The Chairman: Shall the clause carry?

And it continues on page 1902:

Some hon. Members: No.
Some hon. Members: Carried.
Mr. Knowles: On division.
Clause agreed to.

Mr. Chairman, I cannot agree with this version of *Hansard*. I was in the house, as were a great many other hon. members, and we all shouted "no". Some of us had other remarks to make to clause 1 and it was some surprise to me that—

The Chairman: Order. Clause 1 was carried last night.

Mrs. Fairclough: Mr. Chairman, I do not like to disagree with the chairman or with Mr. Speaker, but I wish simply to put on record that I cannot agree with that version.

The Chairman: Shall clause 2 carry?

Some hon. Members: Carried.

Mrs. Fairclough: No.

Clause 2 agreed to.

The Chairman: Shall the title carry?

Some hon. Members: Carried.

Mrs. Fairclough: No.

Title agreed to.

The Chairman: Shall the bill carry?

Some hon. Members: Carried.

The Chairman: Shall I report the bill?

Some hon. Members: Agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Knowles: Mr. Speaker, are you not going to put the motion for third reading?

Mr. Cote moved the third reading of the bill.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I guess I can now say what I had intended to say on the third reading of the bill.

Mr. Tustin: They cannot read the bill if you object to it.

Mr. Fulton: Yes they can.

Mrs. Fairclough: There were several matters which were discussed yesterday with reference to employment and to the manner in which the provisions of the 40-hour week would be implemented with regard to the employment of casual labour. At that time the Postmaster General (Mr. Cote) remarked that the liquidation staffs which had been

handling the carriage of mail during the liquidation time of the letter carriers would be absorbed into the letter sorting department.

I rather doubted that. I doubted that they could absorb these people, and I made some inquiries. So far as I can tell, from the information which is available to me, they will not be able to absorb anywhere near the number of men who have been serving on the liquidation staffs. I should like to point out, Mr. Speaker, that the maximum hourly rate now earned by letter carriers is $1.33 an hour, and that under the new regulations with respect to the 40-hour week the maximum rate earned by letter carriers will be $1.47 an hour. Yet these are the men who are being asked to volunteer to come back on Saturdays for a dollar an hour, to do their own work.

Mr. Speaker, all during this whole debate I have consistently objected to the passage of this bill, the manner in which it was brought in, and the blame which was being placed on the changed working conditions of letter carriers and others in the department. Now I must say once more that in my opinion this is a most deplorable situation, when men who have established working conditions and have established their procedure over many years are being asked, in effect, to work extra time at about three-quarters of their regular rate.

I doubt very much whether there is any industry in the country which would have the temerity to suggest to its employees that they should come in and work overtime at 75 per cent of their regular rate. I do not think the Post Office Department has any right even to make this suggestion to its employees. I think it is a despicable thing to try to undermine the working conditions of your own employees by making this suggestion, trading on the possibility that there might be a few employees, here and there, who would do practically anything to earn a few extra dollars per week. There are people who will do that; they are desperately in need of money, for one reason or another, and they will take whatever offers.

The idea of bringing in casual labour, mixing them up with the regular postal employees; the idea of saying to the postal staff that it is understood that if the occasion arises the postmaster has the authority to order any employee to work on Saturdays if he fails to volunteer, and to say further that absenteeism will not be condoned—these things practically amount to a threat, Mr. Speaker. I cannot understand the thinking in a department which will make such suggestions to its employees.

[Mrs. Fairclough.]

There are other things which should have been brought out on clause 1 of the bill, and if I was not quick enough to catch the intent of the chairman then I must accept the blame for my shortcomings. I would have liked to ask the Postmaster General some questions, but I cannot do that now on third reading. However, I understand that T.C.A. is carrying mail not only in its luggage compartments but in passenger seats. I understand that there is carriage of papers and magazines in passenger seats, and that there is some sort of arrangement between the post office and T.C.A. to do that very thing. These are matters that should have come out at the committee stage of the bill; they are matters on which I have notes and had intended to raise. That is why I was so anxious to have this matter reopened this afternoon.

We have been debating this matter for some time now, Mr. Speaker, and at no time have we ever conceded that there was any virtue in this bill. We have had a couple of amendments proposed and voted on, and we have lost them. But in the course of the debate we have heard some of the recommendations which were proposed by the Woods and Gordon company. We have not had any satisfactory answer as to which of these recommendations have been implemented or are to be implemented, or as to the savings which might reasonably be effected. Therefore, Mr. Speaker, at this time I move, seconded by the hon. member for Royal (Mr. Brooks):

That this bill be not now read a third time but that further consideration thereof be postponed until such time as the house is in a position to assess the effects of the implementation of the J. D. Woods and Gordon report.

Mr. Speaker: I doubt very much whether the amendment is in order. To me it is an expanded negative. What we are considering on the third reading of the bill is nothing else but what is in the bill. That is the difference between second reading and third reading.

In my opinion this amendment is not in order. Of course, I have not had much time to look up authorities and cite the ones which are applicable, but I know for a fact that this amendment is not in order. If I could have just a few more seconds I am fairly sure that I could put my hands on the relevant citation. I see that the hon. member for Winnipeg North Centre (Mr. Knowles) has his book in front of him. Has he the proper section?

Mr. Knowles: I will find it in a moment, Mr. Speaker, but you do not expect me to help you out on this bill, do you?

Mr. Speaker: I know that I speak not only for myself but for all hon. members when I say we are interested in seeing that the rules are observed.

Mr. Harris: Citation 710.

Mr. Speaker: Citation 710 of Beauchesne's third edition reads as follows:

> The question for the third reading is put immediately after the report from the committee of the whole. All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

I think this authority should be considered sufficient at this stage. Perhaps the hon. member will consider withdrawing the amendment. In any event, I am compelled to rule it out of order.

Is the house ready for the question?

Mr. E. D. Fulton (Kamloops): Mr. Speaker, in view of the fact that you have ruled out of order the amendment just proposed by the hon. member for Hamilton West (Mrs. Fairclough), on grounds which I will not discuss at this time, I wish to make a motion for the same reason which, it will have been obvious, motivated the amendment just moved, namely that the matter should not be proceeded with until the Woods and Gordon report has been implemented and until the Post Office Department itself has had time to assess the effects of that implementation and bring before us some definite figures on which to base their proposal. I therefore move, seconded by the hon. member for Royal (Mr. Brooks):

> That this bill be not now read a third time but that it be read a third time this day six months hence.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

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.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the amendment (Mr. Fulton) which was negatived on the following division:

YEAS

Messrs:

Adamson
Aitken, Miss
Argue
Barnett
Bell
Bennett, Miss (Halton)
Blackmore
Blair
Brooks
Bryson
Cameron (Nanaimo)
Campbell
Casselman
Castleden
Charlton
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fair
Fairclough, Mrs.
Ferguson
Fleming
Fraser (Peterborough)
Fulton
Gillis
Green
Hahn
Hamilton
Hansell
Harkness
Hees
Hodgson
Holowach
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Low
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
McGregor
McLeod
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nickle
Noseworthy
Nowlan
Patterson
Pearkes
Poulin
Regier
Robinson (Bruce)
Shaw
Small
Stanton
Starr
Stewart (Winnipeg North)
Thatcher
Thomas
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Yuill
Zaplitny—77.

NAYS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Benidickson
Bennett (Grey North)
Bertrand
Blanchette
Boisvert
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Boucher (Restigouche-Madawaska
Bourget
Bourque
Breton
Brown (Brantford)
Brown (Essex West)
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carter
Cauchon
Cavers
Chevrier
Clark
Claxton
Cloutier
Cote
Crestohl
Croll
Dechene
Deschatelets
Dickey
Dumas
Enfield
Eyre
Fairey
Forgie
Fraser (St. John's East)
Garson
Gauthier (Lake St. John
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gour (Russell)

Post Office Act

Gregg
Habel
Hanna
Hardie
Harris
Healy
Hellyer
Hollingworth
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Gaspe)
Lapointe
Leduc
Lefrancois
Legare
Lusby
MacDougall
MacEachen
MacKenzie
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Masse
Matheson
Mitchell (Sudbury)
Monette
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Pouliot
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
Schneider
Shipley, Mrs.
Simmons
Sinclair
Stick
Stuart (Charlotte)
Studer
Thibault
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
Winters
Wood—127.

Mr. Wylie: I was paired with the hon. member for Burnaby-Richmond (Mr. Goode). Had I voted, I would have voted for the amendment.

Mr. Quelch: I was paired with the hon. member for Rosthern (Mr. Tucker). Had I voted, I would have voted for the amendment.

Mr. Proudfoot: I was paired with the hon. member for Chicoutimi (Mr. Gagnon). Had I voted, I would have voted against the amendment.

Mr. Speaker: Is the house ready for the question on the main motion, or shall I call it five o'clock?

Some hon. Members: Question.

Mr. Speaker: There is only about two minutes before five o'clock.

Some hon. Members: Question.

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

YEAS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Benidickson
Bennett (Grey North)
Bertrand
Blanchette
Boivin
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Boucher (Restigouche-Madawaska)
Bourget
Bourque
Breton
Brown (Brantford)
Brown (Essex West)
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carter
Cauchon
Cavers
Chevrier
Clark
Claxton
Cloutier
Cote
Crestohl
Croll
Dechene
Denis
Deschatelets
Dickey
Dumas
Enfield
Eyre
Fairey
Forgie
Fraser (St. John's East)
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gour (Russell)
Gregg
Habel
Hanna
Harris
Healy
Hellyer
Hollingworth
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Gaspe)
Lapointe
Leduc
Lefrançois
Legare
Lusby
MacDougall
MacEachen
MacKenzie
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Masse
Matheson
Mitchell (Sudbury)
Monette
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Pouliot
Power (St. John's West)
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
Schneider
Shipley, Mrs.
Sinclair
Stick
Stuart (Charlotte)
Studer
Thibault
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
Winters
Wood—125.

NAYS

Messrs:

Adamson
Aitken, Miss
Argue
Barnett
Bell
Bennett, Miss (Halton)
Blackmore
Blair
Brooks
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Charlton
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fair
Fairclough, Mrs.
Ferguson
Fleming
Fraser (Peterborough)
Fulton
Gillis
Green
Hahn

Hamilton	Nicholson
Hansell	Nickle
Harkness	Noseworthy
Hees	Nowlan
Hodgson	Patterson
Holowach	Pearkes
Johnson (Kindersley)	Poulin
Johnston (Bow River)	Regier
Jones	Robinson (Bruce)
Knight	Shaw
Knowles	Small
Leboe	Stanton
Lennard	Starr
Low	Stewart (Winnipeg North)
Macdonnell	Thatcher
MacLean	Thomas
McCullough (Moose Mountain)	Trainor
McGregor	Tustin
McLeod	White (Hastings-Frontenac)
Michener	White (Middlesex East)
Mitchell (London)	Winch
Monteith	Yuill
Montgomery	Zaplitny—75.
Nesbitt	

Mr. Wylie: I was paired with the hon. member for Burnaby-Richmond (Mr. Goode). Had I voted I would have voted against the motion.

Mr. Proudfoot: I was paired with the hon. member for Chicoutimi (Mr. Gagnon). Had I voted I would have voted for the motion.

Bill read the third time and passed.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. John Hunter (Parkdale) moved the second reading of the following bills:

Bill No. 178, for the relief of Dorothy Ann Stuart Story McKenna.—Mr. Hunter.

Bill No. 179, for the relief of Joyce Tulloch Foley.—Mr. Hunter.

Bill No. 180, for the relief of Ruth Annie Ricketts Perrett.—Mr. Hunter.

Bill No. 181, for the relief of Elizabeth Harriet Wyburd Ramseger.—Mr. Hunter.

Bill No. 182, for the relief of Warma Wilhelmiina Rantasalmi Wirtanen.—Mr. Hunter.

Bill No. 183, for the relief of Ruth May Rowley Grundy.—Mr. Weir.

Bill No. 184, for the relief of Rodney David Themens.—Mr. Hunter.

Bill No. 185, for the relief of Patricia Mackell Wilson.—Mr. Hunter.

Bill No. 186, for the relief of Joseph Aurele Denault.—Mr. Hunter.

Bill No. 187, for the relief of Arthur Ryan. —Mr. Hunter.

Bill No. 188, for the relief of Mary Clenman Bernard, otherwise known as May Clenman Bernard.—Mr. Hunter.

Bill No. 189, for the relief of Lloyd Demont Noseworthy.—Mr. Hunter.

Bill No. 190, for the relief of Douglas Charles Fortune.—Mr. Hunter.

Private Bills

Bill No. 191, for the relief of Kenneth George Wright.—Mr. Hunter.

Bill No. 192, for the relief of Sonia Rofman Bailis.—Mr. Hunter.

Bill No. 193, for the relief of Bessie Livshitz Rudy.—Mr. Hunter.

Bill No. 194, for the relief of Monika Emilija Kasputyte Janauskas.—Mr. Hunter.

Bill No. 195, for the relief of Suzanne Marie-Therese Gens La France.—Mr. Hunter.

Bill No. 196, for the relief of Noella Cooker Prince.—Mr. Hunter.

Bill No. 197, for the relief of Rupert Evans Joyce.—Mr. Hunter.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, just before this motion carries I want to say a brief word. My purpose is merely to keep the record in this house straight, so that we shall know what we are doing when we put these divorce bills through. To date, as I have already made clear, we have processed 140 divorce bills.

Mr. Speaker: Will the hon. member permit a question? Does he think that the score-keeping he is doing is relevant to the principle of these bills?

Mr. Knowles: Mr. Speaker, I submit that when the house is being asked to do such an unusual thing as to pass on the principle of 20 different bills at once, at least it is appropriate that I draw attention to the fact that it is 20 bills that we are passing in this half minute.

Motion agreed to, bills read the second time and referred to the standing committee on miscellaneous private bills.

NAVIGABLE WATERS PROTECTION ACT

PROPOSED AMENDMENT TO ENLARGE SCOPE

The house resumed, from Tuesday, February 2, consideration of the motion of Mr. Campbell, for the second reading of Bill No. 175, to amend the Navigable Waters Protection Act (protection of rivers).

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, when the debate was adjourned on Tuesday of last week I was discussing the bill sponsored by the hon. member for The Battlefords (Mr. Campbell), and I was attempting to show at that time that what the hon. member was trying to do was to amend an act concerning navigation, over which the federal government alone has jurisdiction, by virtue of the British North America Act, to remedy the pollution of certain waters, a matter which falls normally for determination under provincial jurisdiction. I had gone on to explain that his amendment to the act together with the amendment moved by the hon. member for

Prince Albert (Mr. Diefenbaker) accentuated the position. I had summed up by casting doubt on the constitutionality of the amendment proposed by the hon. member for Prince Albert.

Since then I have had the opportunity of considering the bill, together with the amendment brought forward by the hon. member for Prince Albert, and now I have no hesitation in stating unequivocally that the amendment leaves no doubt in my mind as to its invalidity. I should like to quote the words which the hon. member for Prince Albert sought to introduce to the bill proposed by the hon. member for The Battlefords. The hon. member for Prince Albert moved:

> That after the word "whatsoever" in the fifth line of section 18 in the bill the following words be added:
>
> "or chemicals of any kind, and without restricting the generality of the foregoing any substance which, although not deleterious or harmful to human health, causes discomfort or annoyance to users of water."

In order that there may be some sequence in the debate, and since the bill is a short one, perhaps I may read it now as it would stand amended:

> Section 18 of the Navigable Waters Protection Act, chapter 193 of the Revised Statutes of Canada, 1952, is repealed and the following substituted therefor:
>
> 18. No owner or tenant of any sawmill, or other industrial plant, or any workman therein or other person shall throw or cause to be thrown, or suffer or permit to be thrown any sawdust, edgings, slabs, bark or rubbish of any description whatsoever, or chemicals of any kind, and without restricting the generality of the foregoing any substance which, although not deleterious or harmful to human health, causes discomfort or annoyance to users of water.

In my understanding it now becomes quite clear that the amendment is one that has to do with the pollution of water, one that has to do with the drinking of water, and unquestionably one that has to do with health, a matter which is entirely extraneous to navigation and shipping and over which the Navigable Waters Protection Act would have no jurisdiction whatsoever.

The bill in itself is ineffective, in my opinion, to remedy the situation, unless it can be shown that these deleterious matters, or the industrial plants to which my hon. friend refers, have to do with navigation and shipping. If he can connect them up with the fact that these matters interfere with navigation and shipping, then of course there would be jurisdiction; but no one, I think, will argue that chemicals interfere with shipping. I do not think they do. Neither is it the property of a chemical to interfere with navigation, and I do not think there is any way in which you can link those chemicals or deleterious matters with navigation and shipping.

If I go a step farther and use the argument of the hon. member for The Battlefords, I think he will agree with me in this conclusion; because if one looks at *Hansard* for February 2, at page 1702 he will see this stated by the hon. member:

> The discussion to which the minister referred related to an amendment moved by the hon. member for York West (Mr. Adamson) to section 19 of the Navigable Waters Protection Act, and had to do with the pollution of the waters along the shore line of lake Ontario, while the case which I am arguing refers to a river running through three provinces. During that debate the Minister of Transport (Mr. Chevrier) argued that the federal government was not competent to deal with the situation, and the amendment was voted down. I believe the minister was correct, because this is a completely different situation.

But it is not. There is no difference at all between the situation to which my hon. friend refers and that argued by the hon. member for York West. The position is exactly the same. The fact that three provinces are involved does not alter the jurisdiction of the Navigable Waters Protection Act. Even if there were ten provinces it would make absolutely no difference in so far as this act is concerned. It would give no jurisdiction over navigation. It might make some difference in so far as the question of health is concerned, but that is not a matter for me to determine. As I said earlier, this matter is one which comes under navigation and shipping and I am concerned only with that aspect of it at the moment, because that is the only aspect which my hon. friend seeks to consider in his anxiety to meet the difficult position in which the people of Prince Albert and other communities along the shores of the North Saskatchewan river find themselves.

I have a great deal of sympathy for the position in which he and other hon. members find themselves at the moment, but I am sure that he and the other hon. members would not want an act to be passed which would be ultra vires; for, after all, what would be the use of passing an act if we knew in advance that it would not meet the position and would not be intra vires of the British North America Act?

That brings me to the statement made by the hon. member for Rosetown-Biggar (Mr. Coldwell). The leader of the C.C.F. party said at page 1705 of *Hansard*:

> Now, the Saskatchewan river is frequented by fish. Is it more important to protect the lives and the health of fish than the lives and the health of people who live along this river?

The answer of course is no. It is far more important to protect the lives of humans than it is to protect the lives of fish, but if we have no jurisdiction to protect the lives of humans under the Navigable Waters Protection Act, then why enact legislation when we know beforehand, as I said earlier, that the legislation would be innocuous?

Again, the hon. member for Rosetown-Biggar asked why we did not do something under sections 32 and 33 of the Fisheries Act. I believe the Minister of Fisheries (Mr. Sinclair) dealt with that matter earlier, when in answer to a question in the house he said that while under the British North America Act legislative jurisdiction over fisheries lay with the federal government, since 1930, by agreement with the provinces, they were the ones who administered their own natural resources, including fisheries. I think he made it quite clear that if some remedy were desired, perhaps the best way to seek that remedy was to consult those who had been administering the act for some years.

I conclude by reiterating what I have said already, that while there will be a great deal of concern for the problems which hon. members have spoken about in this debate and for which a remedy is sought, and while there will be a great deal of sympathy and much concern for the people themselves, I do not think the house or any hon. member in the house would want to suggest a remedy which would have no effect. I have no hesitation in saying that the amendment brought forward by the hon. member for Prince Albert (Mr. Diefenbaker) in my humble opinion would not meet the position from a constitutional standpoint and is ultra vires.

So far as the argument of the hon. member for The Battlefords is concerned, I can see no difference whatsoever between this attempt to amend the Navigable Waters Protection Act, and the attempt made by the hon. member for York West (Mr. Adamson) on an earlier occasion. I have forgotten what reasons I gave, or whether I had consulted the Department of Justice at that time, but my recollection is that I had and that the deputy minister of justice gave as his opinion that it would not be possible to make the amendment within the constitution. Again, I do not think there is any difference between what is attempted here and what was attempted on that occasion.

I remind hon. members that I am not attempting to deal with the problem as regards health. That is not a matter that concerns the navigation of ships or shipping on navigable waters. I am concerned only with the operation of that act, and I say that to attempt to deal with the matter, which is chiefly provincial, by amending this act would in my opinion be ultra vires.

Mr. Speaker: The minister has referred to an amendment moved by the hon. member for Prince Albert (Mr. Diefenbaker). It has been brought to my attention that that amendment was ruled out of order after it was moved. For the guidance of hon. members who wish to participate in this debate I would point out that since that amendment is not before the house as it appears at page 287 of *Votes and Proceedings*, there is now before the house only the bill of the hon. member for The Battlefords.

Mr. F. G. Robertson (Parliamentary Assistant to the Minister of National Health and Welfare): Mr. Speaker, in the absence of the Minister of National Health and Welfare (Mr. Martin) who is unavoidably absent because of other important government business, I would like to make a few comments on this bill.

This bill, introduced by the hon. member for The Battlefords, seeks to amend the Navigable Waters Protection Act. By so doing I understand he is seeking to give the federal government authority to deal with a very disturbing problem in his area. This problem has been the subject matter of a number of questions put to the Minister of National Health and Welfare by the hon. member for The Battlefords and the hon. member for Prince Albert during the past month. The Minister of National Health and Welfare has indicated his concern over this matter, and he has pointed out that we have no jurisdiction to deal with it.

Nevertheless, he has offered the full co-operation of the department in assisting the provinces to correct this very unfortunate situation. On February 2 the hon. member for The Battlefords moved an amendment by this bill. It has been pointed out very ably by the Minister of Transport (Mr. Chevrier) that this would amend the Navigable Waters Protection Act, a subject dealing with navigation over which the federal government has jurisdiction; that in fact we are being asked to remedy a situation which is a health matter, namely the pollution of the water used in those areas. In my opinion also, this matter should be dealt with in another way, and further I would state that this matter comes under the jurisdiction of the provincial government.

This problem has to deal with the dumping of industrial waste into the North Saskatchewan river which provides water for some

of the cities in the hon. member's constituency, namely the cities of North Battleford and Prince Albert, and the town of Battleford. I am sure we all sympathize with the hon. member and with the people living in those areas because they are being subjected to a very disagreeable situation. As a result of these substances being dumped into the North Saskatchewan river we know that the water in the cities I have mentioned has a very objectionable odour and taste, and I am informed that this extends as far as The Pas in Manitoba.

I have seen many of the reports which have come to our department, and so far there is no report which indicates there is an associated health hazard. I would not minimize the distress which is being caused to the people in these areas, but I think that is an important point to make. On previous occasions the Minister of National Health and Welfare (Mr. Martin) has indicated the action taken by our department. This action has been taken by the Department of National Health and Welfare in conjunction with the provinces concerned because, as I have stated and as the minister has stated on many occasions, we believe that this is a matter coming under provincial jurisdiction; and further, the provinces themselves are quite agreed that it is their responsibility.

I should like to outline what the Department of National Health and Welfare has done to correct this situation. At the request of the provincial health officers we have sent the supervising engineer of the division of public health engineering in our department to consult with officials of the various provinces concerned. He has talked with officials of the provinces of Alberta, Saskatchewan and Manitoba. He has also taken part in conferences, at which industries concerned attended, and he has given to those officials the benefit of his experience.

The occupational health laboratory of our division have also been working on this problem. They have examined samples of the water taken from various cities in that locality, and are giving the provinces the benefit of their advice. We have also attempted to obtain all possible information from the United States. We have been in touch with the environmental health centre at Cincinnati, asking them to give us the benefit of their experience in dealing with such matters. We have been assured that such help will be forthcoming in the very near future. I therefore hope all hon. members will agree that our department has been extremely sympathetic in connection with the difficulty and have taken concrete steps to correct it.

[Mr. Robertson.]

I should like to point out that the solution of this problem is most complicated. We have yet been unable to identify the offending substance, or substances, or combination of substances which are related to this problem and which are the cause of this disagreeable condition, nor have we been able to say what their origin is. It will only be by intensive research that it will be possible to determine the cause. In fact there may be a number of substances involved. They made be coming from more than one source. More than one industry may be involved. The solution is not likely to be simple. It will require exhaustive studies of a highly technical and specialized kind to determine the real source of this trouble.

It might appear that the obvious solution to this problem might consist in closing down some of these industries; but I am sure that, on reflection, this would not be termed a particularly satisfactory solution. It might require the closing down of a great number of industries. In addition to the economic implications, we have no assurance that this would be a permanent solution to the problem.

While we are attempting to identify the substances concerned, temporary measures have been taken to deal with this situation. In one locality, the use of activated charcoal has been useful in clearing up this condition. I am told that laboratory tests indicate that chlorine dioxide might be useful in purifying the water. I am also informed that one locality is considering the use of this substance.

I hope I have made it clear that the solution is not to be found in jurisdictional responsibility, but that it will require the intensive efforts and the co-operation of all people concerned in order to find a satisfactory solution to this problem. If the provinces concerned—and notably the province of Alberta, where the difficulty seems to originate—will agree, the minister is prepared to make available the services of the technical officers of our department to co-operate with the provinces and the industries concerned in setting up and engaging in the co-ordinated investigation which we believe is essential.

As the minister indicated to the house a few days ago, he dispatched a telegram to the minister of health in the province of Alberta offering the full facilities of our department to the province in attempting to correct this situation. I may once again refer to the telegram which the minister read to the house on that occasion:

In view of the many questions asked respecting the pollution of the North Saskatchewan river through industrial wastes said to originate with

industries in Alberta, I would like to offer the co-operation and assistance of the technical officers of this department to participate in a joint study with the technical officers of your province and of the industries to endeavour to find a solution to the problem. I appreciate that the matter is not one that is within federal responsibility but in view of its importance and the complications and technical difficulties that would appear to exist, the solution may well be one that can only be found with the full utilization of all of the technical resources that can be made available. If you feel that this is a helpful proposal I suggest that you have Dr. Somerville communicate with Dr. Cameron with a view to working out satisfactory details and arrangements for an immediate study.

The house is aware that today the Minister of National Health and Welfare informed the house that Dr. Somerville, who is deputy minister of health in the province of Alberta, telephoned Dr. Cameron, the deputy minister of our department, informing him that the province of Alberta was most anxious to co-operate in every way it could. He also expressed his appreciation of the helpful assistance which has been forthcoming from the Department of National Health and Welfare. The minister also informed the house that he was in conversation with the minister of health of the province of Saskatchewan and that he too is most anxious to co-operate in the solution of this problem.

The minister has also directed that all possible speed be taken to place the facilities of our department at the service of the provinces. Already the staffs of the public health engineering division and the occupational health division of our department are taking the necessary steps to assist the provinces with this work. It will be necessary to divert some of the staff of these two divisions from important work which they are now carrying on, but it is felt that it is most necessary in order to assist the provinces with this matter. I am also informed that it is not likely that a solution can be found in a short time. As I have indicated, it is a complex situation and it is felt that it may be some time before a definite solution is found.

I should like to emphasize that the success of any effort in dealing with this problem is dependent upon the co-operation of all of the industries that may be involved. We assume that this co-operation will be forthcoming from those industries, and that they are as anxious as anyone else to clear up the situation. The measures which may be found necessary for control, once a solution is found, and the enforcement of those measures must, of course, remain the responsibility of the provinces.

I am sure all hon. members agree that the Minister of National Health and Welfare has shown much understanding of the situation that prevails, and that he has been most helpful in co-ordinating the work of the various governments in attempting to find a solution to this very important problem.

Mr. Green: May I ask the parliamentary assistant a question? Has his department given any consideration to the possible need for amending the Criminal Code in order to meet situations of this kind?

Mr. Robertson: I cannot say that any serious consideration has been given along those lines because we feel that under the British North America Act, since it is a matter involving health it comes under the jurisdiction of the provinces. As far as I know, no serious consideration has been given by our department to dealing with this matter under the Criminal Code.

Mr. G. W. Montgomery (Victoria-Carleton): I should like to say a few words on this bill. I feel that the hon. member for The Battlefords (Mr. Campbell) should be congratulated on introducing it. Having given it some study, I must say that I agree with the Minister of Transport (Mr. Chevrier) that the bill will not bring about what the hon. member for The Battlefords is seeking. The Navigable Waters Protection Act has to do with navigation; therefore I do not think any pollution that might affect the health of people can be remedied under it.

I think it is a good thing to have this matter brought before the house. The situation in the west is serious, and is one that may arise in other parts of Canada. I believe some thought should be given to it by the Department of National Health and Welfare, the Department of Fisheries and the Department of Justice from the point of view of trying to work out some arrangements with the provinces whereby there might be a conference or some other action to take care of such situations in the future. This may be the first time this situation has arisen, but it will not be the last.

Not long ago a somewhat similar problem arose in eastern Canada, and it is not the first time we have had this trouble. It has been brought to the attention of one or two departments. I believe the Department of Fisheries knows about it. However, this case in the east is different in that it involves international waters. The river rises in Canada, flows through the state of Maine and then re-enters Canada, and the water is polluted. There is no remedy under the Navigable Waters Protection Act. Large numbers of fish were killed last summer, and the doctor in charge of health matters

there said that as far as he could tell the cause was pollution of the water in the state of Maine, but there does not seem to be any way of rectifying it.

I know that is a different problem from an interprovincial one, but it does place emphasis on the question. In a large country such as ours we have interprovincial rivers and international waters. As our country develops, industrial plants are going to be built adjacent to these waters, and in my opinion it is time for some thought to be given to the working out of a convention or agreement among the provinces and the dominion government whereby machinery will be provided so these problems can be dealt with speedily, especially where the health of our people is concerned.

I am sorry I cannot say very much in favour of this particular bill as something to meet the requirements of the hon. member. I do not see much objection to what is in it, but it is not going to help meet the situation so far as health or pollution is concerned, because the material that seems to be in the waters of this western river is not material that interferes with navigation. Looking at the bill from a legal standpoint, it is not going to meet the ends the hon. member has in mind. Nevertheless he has brought a most important matter before the house, and it should receive a lot of thought and consideration so that similar situations may be met when they arise in the future. Consideration should also be given to the problem that arises when international waters are involved, because there does not seem to be any machinery to deal with such matters effectively.

Mr. Harris: On a point of order, I understand that it is the wish of the hon. member who is sponsoring the bill that he might be allowed further time to consider what might be said or done. While the government's position has been made clear by the Minister of Transport and the parliamentary assistant to the Minister of National Health and Welfare, it would be our view that it might be desirable, in view of the general interest in the subject and the particular interest that the hon. member has in it, to allow the bill to stand over and not be dealt with today. If that is his wish, that is agreeable to us.

Mr. Adamson: Mr. Speaker—

Mr. Harris: Is the hon. member going to speak about the next bill, which is his?

Mr. Adamson: No, I am speaking on the point of order. I have no objection to the procedure suggested, but there may be some extended remarks on the next order and as it is now eight minutes to six I would hope the Speaker would call it six o'clock.

Mr. Harris: That is just what I was about to say, and I thought you might be going to speak on this particular bill.

Mr. Adamson: No.

Mr. Harris: Then I would propose the adjournment of the debate and ask you, Mr. Speaker, to call it six o'clock.

On motion of Mr. Harris the debate was adjourned.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

ANIMAL CONTAGIOUS DISEASES ACT

CHANGE IN BASIS OF COMPENSATION IN RESPECT OF SWINE AND SHEEP

Hon. W. E. Harris (for the Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Animal Contagious Diseases Act to remove the limits on the compensation payable in respect of swine and sheep, and to provide for payment of compensation on the basis of market value.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

Mr. Charlton: Is the parliamentary assistant to the Minister of Agriculture going to explain the resolution?

Mr. McCubbin: The reason for the introduction of this resolution, Mr. Chairman, upon which the bill is founded, is to compensate the owners of hogs which have been slaughtered as a result of the outbreak of hog cholera. As we all know, hog cholera is the disease which hog producers, not only in Canada but in other countries as well, fear most. Heretofore the compensation which has been paid for a hog has been $30 or any portion thereof according to the value of the hog. If a hog were worth $50 or more, as it is now when it is ready for market, the owner was compensated only to the extent of $30 if the animal were slaughtered under the terms of this act. The government felt that some increased compensation should be given to a man who was in that position, and had hogs ready or

nearly ready for market which had to be slaughtered. We are introducing the resolution to compensate him more adequately.

Mr. Charlton: I do not intend to say very much at the resolution stage. I should like to say, first, that I believe this measure is long overdue. I noticed that the parliamentary assistant just mentioned hogs, but the resolution also speaks of sheep. I believe that the compensation paid for sheep in the past has been much too low, especially for purebred animals. It is extremely difficult to arrive at the real value of purebred animals, and of course we shall have to wait until we get the bill before we can ascertain the basis for fixing the value. If it is similar to the basis for cattle, then I believe it is probably fair.

In some cases the compensation is not enough because it is a stipulated amount, plus the value of the carcass where it is suitable for consumption. In the case of highly bred animals, that is not enough. We all realize that, but it is rather difficult to arrive at any hard and fast rule. We shall reserve further comments until we see the contents of the bill.

Mr. McCullough (Moose Mountain): I do not want to say very much at the resolution stage, except to ask the parliamentary assistant if any consideration has been given to increasing the compensation to those who have to dispose of purebred hogs? If the government is considering an amendment to this act, has consideration been given to increasing the compensation paid to cattle breeders who suffer the loss of purebred cattle?

I should like to point out to the parliamentary assistant and the house that in the case of purebred cattle, the compensation under the act today stands at a maximum of $100. We have a ceiling, but we have not a floor on the compensation to be paid the owners of purebred stock who have to dispose of animals under this act. I should like to ask the government to give consideration to bringing the payments made to purebred breeders into line.

Today there are more and more people producing purebred cattle, just as we have farmers producing more purebred sheep and purebred hogs. I think it is time the government gave consideration to more equitable payments to the people forced to dispose of their purebred cattle. Many of us today have stock worth thousands of dollars and the loss is tremendous if, for any reason, we have stock which has to be destroyed under this Animal Contagious Diseases Act. I ask the parliamentary assistant to tell the committee if any consideration has been given to raising the ceiling on payments for purebred cattle and hogs?

Mr. Fair: We Social Crediters believe in always doing what is fair and right, and that applies in this case. I feel that this action should have been taken some time ago. Without going into too much detail, I feel that we should pay the fair market value for livestock, whether it be ordinary livestock or purebred. When I say "fair market value", that does not mean we should pay on the same basis for purebred stock that is destroyed as we do for commercial livestock. By making fair payments to those who have their livestock destroyed we would encourage farmers to report any disease that may be in their herds.

I feel that is one thing that is being overlooked, and which may prove rather expensive for the government and for the country. If farmers feel that they are not being properly compensated, then they are apt to sneak out and sell their livestock. I do not say there are many who would do that, but there is the odd one. When I say "odd", I mean just that. As a rule, farmers do not play any of those tricks. We Social Crediters are fully behind this move by the government, and we hope that in this case the payments will be generous and will fully compensate those who may be unfortunate enough to have a disease in their herd.

Mr. Charlton: Is the parliamentary assistant going to answer the questions of the hon. member for Moose Mountain?

Mr. McCubbin: I was going to wait until all had spoken.

Mr. Charlton: Is any consideration being given to the payment of compensation for animals that died previous to the diagnosis of the disease? In the case of foot-and-mouth disease in Saskatchewan, the government paid for the clean-up and burial of these animals. Is it not fair to suggest that they do the same thing for the outbreak of hog cholera in Ontario or any other part of Canada?

Mr. McCubbin: The questions which have been asked are very fair. The questions asked by the hon. member for Moose Mountain are certainly fair, but under this amendment to the act with which we are dealing cattle are not mentioned. The amendment relates to hogs and sheep. My own feeling, and I believe it is the feeling of the committee as well, is that if any consideration is given to a change in the compensation for cattle it should be done in another amendment.

The hon. member for Brant-Haldimand has mentioned the foot-and-mouth disease out in Saskatchewan, and hog cholera in Ontario. The foot-and-mouth disease is something we hope we shall not see again, and it was dealt with under special legislation. Things were done in connection with the foot-and-mouth disease—and rightly so, of course—that we might not do in other circumstances.

In connection with hog cholera, I believe Canada is one of the few countries in the world that pays compensation for losses in this connection, and that is a condition we have had for many years. In the country to the south of us no compensation whatever is paid. It is done by the farmer himself; the government does not pay for it. Then, regarding cleaning up the premises, as has been pointed out it is not the intention of the government under this legislation to do anything in that respect. The intention only is to pay the actual price of the hogs slaughtered as the result of hog cholera.

Many hon. members will be aware of the fact that much of this difficulty has developed in some of the sale barns in Ontario. At this point I should like to commend the department of agriculture at Toronto and their livestock commissioner, Mr. Watson, for putting through legislation to assist in every way possible in bringing about a condition under which these sale barns are now better supervised than they were previously.

Mr. Charlton: I wonder if the parliamentary assistant would answer my first question. I suggested that consideration should be given to paying compensation for animals that died previous to the time diagnosis was made.

Mr. McCubbin: Of course we can consider those things. However, I do not think it is the intention to pay for animals that died prior to diagnosis being made. But if a worth-while case is made, it will be considered.

Mr. Charlton: I would point out to the parliamentary assistant that hog cholera in Ontario, or in any other part of Canada, would be just as dangerous to a community as foot-and-mouth disease in cattle. I do not see the justification for saying that it is not necessary to pay for the clean-up and burial of those animals. So long as we maintain such a policy in respect to hog cholera, then it would seem just as important to do away with those animals, to see that they are properly buried and the premises are properly cleaned, as it was in connection with foot-and-mouth disease.

There was a case last spring where hog cholera was not diagnosed as quickly as it might have been. Some animals died of the disease previous to the notice that it existed in that area. So far as I know, no compensation was paid for those animals. I do not think that is fair. The hogs died from hog cholera, that is well known; and I say those hogs should have been paid for, just the same as others.

Mr. Argue: Can the parliamentary assistant tell the committee whether payments under this amendment will be retroactive and, if so, how many cases will be covered? If payments are not to be made retroactive, on what date does the government expect the legislation will be proclaimed?

Mr. McCubbin: It has been made retroactive to May 1, 1953.

Mr. Argue: Has that arisen because of an outbreak or epidemic of hog cholera? Has a great amount of slaughtering taken place, extending back to May of 1953, which has made this legislation necessary in the opinion of the government?

Mr. McCubbin: Yes.

Mr. Argue: I am pleased to note that the legislation is being made retroactive. That is an excellent provision. If circumstances have made such an amendment necessary, then it is clear that the farmers who have suffered considerable loss should be compensated adequately. I imagine that by making the legislation retroactive to May of 1953 the objective will be accomplished. The improvement in compensation will be welcomed. It will be particularly acceptable to the swine producers, because ordinary grade hogs are being sold today on the market for a good deal more than $30. Perhaps it would amount to $50 or even $60.

When I look at section 12 of the act it would appear that cattle producers now hold a privileged position as compared with hog and sheep producers. I may be interpreting the statute incorrectly, and if I am I would be glad to hear from the parliamentary assistant. It would appear that under section 12 the owner of cattle infected with contagious disease as defined by the act is paid $100 for a purebred animal and $40 for a grade animal; and if the carcass cannot be sold, then in addition to the $100 or $40 he will receive an amount equal to the value of the carcass. So if a grade cow is slaughtered the farmer receives the market value plus $40. If it is a purebred animal he receives the market value plus $100.

Even with the suggested improvement as set out in the legislation, if I read it correctly the maximum that a swine or sheep producer may receive is the market value. No consideration is given to the fact that an animal

may be purebred, and that a farmer would sustain a loss greater than the market value. When one goes out to replace an animal he cannot do it for the market value. It is clear to anyone that there are other costs involved.

If I am right when I say that the maximum a hog producer can receive, even with the new legislation, will be the market value, whereas the cattle producer can receive the market value plus $100 for a purebred animal or plus $40 for a grade animal, then the government should give consideration to this apparent discrimination as between cattle producers on the one hand and hog and sheep producers on the other. When the bill is brought down something more should be added by way of compensation than would appear in the resolution. I would ask the parliamentary assistant to comment on these points.

Mr. McCubbin: I understand the significance of what the hon. member for Assiniboia has said. The statement he has made is absolutely correct. It will be understood, of course, that he was referring to the eradication of tuberculosis, a procedure for the assistance of the producers of dairy and beef cattle across Canada.

The difference is that the tuberculosis eradication is done by the farmers themselves. A petition may be circulated in a township or a county, and if two-thirds of the farmers sign the petition the provincial government takes action and sends it on to us. We go ahead and have the cattle tested. If the cattle are rejected the owners are paid $40, plus the market value.

The market value of a cattle beast may be the value that the farmer, in sending that cattle beast to an inspected slaughterhouse, is able to obtain. If the cattle beast goes to the tank, the market value is based on that action by the packinghouse and a decision is made as to what the selling price would be if the meat had been fit for human consumption.

The matter of hog cholera is different. As I said before, Canada is the only country I know of that pays any compensation for the destruction of hogs. In Canada we felt that we were going a long way—maybe we could let it go; maybe we could live with it as they do in the United States—in being willing to compensate the farmer whose hogs had to be destroyed on account of an outbreak of cholera in his own hogs or those of his neighbour.

The government feel, as I said before, that we are going a long way in helping to assist the farmer in trying to eradicate the disease. We in Canada do not want, and I am sure the farmers feel the same way as the government does, to live with hog cholera in this country. We would like to eradicate it. I think the farmer is willing to co-operate. If we will go half-way he will co-operate with us, and that is the reason we are acting in this way. Nothing else is being done along the lines mentioned by the hon. member for Assiniboia.

Mr. Charlton: Can the parliamentary assistant say that there is no price set on a hog or sheep outside of the market value?

Mr. McCubbin: No, there is not.

Mr. Charlton: In the case of cattle and horses, there is?

Mr. McCubbin: Yes, that is right.

Mr. Charlton: In the case of sheep and swine there is not?

Mr. McCubbin: There is not.

Mr. Charlton: I do not agree with that, because there are other diseases in swine besides cholera. Are you going to say that purebred swine are to be valued at only the market value of the hog?

Mr. McCubbin: That is right.

Mr. Charlton: That is the slaughter market value?

Mr. McCubbin: That is right.

Mr. Charlton: The slaughter value or the purebred replacement value?

Mr. McCubbin: No, the slaughter value.

Mr. Charlton: Just the slaughter value?

Mr. McCubbin: That is right.

Mr. Charlton: That is not fair.

Mr. Fair: I do not think the government should let this legislation go through with the present proposal. The point I made a little while ago still holds good to the effect that people owning livestock that may be diseased are not getting proper compensation, provided that the swine or sheep are purebred. I do not think it is good enough. It would cost very little more, and I think we should go whole hog on this matter. That is farmers' language, and I think the parliamentary assistant understands it perfectly well. Let us be fair all the way through with this. We are making a special privileged class for cattle and horses, and then we are going to put the lowly hog and the innocent sheep in a degraded class by themselves.

Mr. Argue: Class distinction.

Mr. Fair: Some suggested that it is perhaps shearing the sheep, and I will not say what

they said about the hogs. Let us play the game and make this uniform for all grades of stock that may be affected.

Resolution reported, read the second time and concurred in.

Mr. Harris thereupon moved for leave to introduce Bill No. 250, to amend the Animal Contagious Diseases Act.

Motion agreed to and bill read the first time.

NORTHWEST ATLANTIC FISHERIES

MEASURE TO IMPLEMENT INTERNATIONAL CONVENTION

Hon. James Sinclair (Minister of Fisheries) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to implement the international convention for the northwest Atlantic fisheries, signed in Washington on February 8, 1949, and ratified July 3, 1950, following approval by parliament.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Sinclair: Mr. Chairman, this resolution will introduce a bill to give legislative effect to the northwest Atlantic fisheries convention, which was approved by this house in July, 1950.

This is one of the series of international fisheries conventions which this country has been able to arrange for the proper protection and conservation of the fisheries on the high seas adjacent to our shores. The first was the international halibut convention, signed in 1923, covering the halibut of the north Pacific, followed by the fur seal convention and the international salmon convention. Then last year a new convention for control of the north Pacific was signed by Japan, Canada and the United States.

The area covered by the convention of this resolution is the northwest Atlantic, with the Grand Banks the principal fishery concerned. The Grand Banks are still, after 400 years of fishing, the greatest single fishery in the world, but in recent years there have been signs of depletion in one or two of the banks, which gave concern to the nations which are fishing that great fishing ground. Just after the war, meetings were arranged between those nations, and as a consequence we had this convention, which was approved by parliament. The ten nations are Canada, Denmark, Iceland, Italy, France, Norway, Portugal, Spain, the United Kingdom and the United States.

[Mr. Fair.]

Since the convention was approved in this house an administrative organization has been established. I am happy to report that because of the very attractive proposals made to the new commission by the government of Nova Scotia and the governors of Dalhousie University, the permanent headquarters of this new northwest Atlantic commission have been located at Halifax on the campus of Dalhousie University. The first chairman of this commission is our own Canadian deputy minister of fisheries, Stewart Bates, who was also honoured last week by being elected the first chairman of the new north Pacific international fisheries commission.

The commission has drafted regulations to enforce conservation measures on these banks. Now we have come to parliament to give us legal power to enforce these regulations on Canadian fishermen.

Mr. Bell: Have all the countries that originally signed the agreement ratified it?

Mr. Sinclair: That is true.

Mr. Bell: With respect to this advisory committee that is mentioned in the original convention, is that the group the minister mentioned to which Dr. Bates has been appointed?

Mr. Sinclair: Dr. Bates is chairman of the full commission, which has representatives from each of the ten nations. The chairmanship will rotate among the ten countries. The pattern is exactly the same as has been successfully developed in these other international fisheries conventions. The legislation will be almost identical with the north Pacific legislation.

Mr. MacInnis: I am not criticizing; I am merely seeking information, but why has it taken so long to get the convention ready for legislation? It is pretty nearly four years since this house ratified the convention. What were the difficulties that had to be overcome before the legislation was introduced?

Mr. Sinclair: Our other fisheries conventions were arranged with the United States, and after our experience with the first one, the halibut convention, it was very easy to work out satisfactory administrative procedures with the one nation. Four or five of the ten nations in the northwest Atlantic convention, however, had never such an international fishing convention before. It has therefore taken a little longer to work out acceptable draft regulations which will be applied to the conservation and protection of these fishing grounds.

Resolution reported, read the second time and concurred in.

Mr. Sinclair thereupon moved for leave to introduce Bill No. 251, to implement the international convention for the northwest Atlantic fisheries.

Motion agreed to and bill read the first time.

ONTARIO-MANITOBA BOUNDARY ACT

DEFINITION OF PROVINCIAL BOUNDARIES

Hon. George Prudham (Minister of Mines and Technical Surveys) moved the second reading of Bill No. 79, respecting the boundary between the provinces of Ontario and Manitoba.

Mr. Knowles: Is the minister going to make a statement?

Mr. Prudham: Mr. Speaker, the boundary line between Ontario and Manitoba has been completely surveyed and marked on the ground by commissioners appointed from time to time by the provinces of Ontario, Manitoba and Canada. The two provinces have requested that the parliament of Canada pass legislation confirming the boundary, and for this purpose they have themselves passed the required legislation.

The purpose of this bill, Mr. Speaker, is to confirm the boundary between the provinces of Ontario and Manitoba in compliance with their respective requests and in accordance with the British North America Act.

In these days of the rapid development of mining and other industries, particularly in the northern section of our provinces and in the territories, it is imperative that boundary lines between the provinces be as firmly and clearly established as possible. This is vitally important not only to the provinces and territories but to the private firms and private citizens who are helping to open up new areas to development and settlement. The bill before the house is a helpful step in that direction. It seeks to establish with certainty the boundary between Ontario and Manitoba.

The history of the determination of this boundary is rather long and complicated. As a measure of assistance to this house I shall attempt to summarize briefly the historical background of this particular interprovincial boundary line, the total length of which is 609 miles.

As early as 1870 in the case of Manitoba and 1889 in the case of Ontario, the boundaries of these provinces were originally defined by statutes for the respective provinces. In 1893 an unsuccessful attempt was made by the then secretary of state for Canada to arrange with the two provinces for a survey of the boundary between them on a co-operative basis. Manitoba declined the invitation at that time, as that province did not then have the ownership of its natural resources. But Ontario did accept. As a result a commission was established composed of one representative from Ontario and one from the federal authority. This commission in 1897 and 1898 surveyed and marked a portion of the boundary.

At this stage the federal deputy minister of justice was asked to advise what further steps could properly be taken to establish the boundary between Ontario and Manitoba. The advice was given in the following terms:

> The boundary line between Ontario and Manitoba, as marked on the ground by Messrs. Stewart and Saunders, can be absolutely established only by legislation. If the legislatures of Ontario and Manitoba consent, the parliament of Canada can, by the provisions of the British North America Act, 1871, pass an act declaring that line to be the boundary between the two provinces. Orders in council of the several governments accepting the line might be passed, but these would not bind the provincial legislatures or parliament of Canada.

On October 10, 1898, the two provinces were invited to accept the boundary as marked by commissioners Stewart and Saunders. Ontario accepted the invitation and passed 62 Victoria, chapter 2. It does not appear that Manitoba passed any legislation on the matter at that time. In the absence of Manitoba's consent, no legislation was passed by the federal government.

In 1921 the two provinces were again invited to join in a continuation of the boundary line survey. Manitoba declined. Accordingly, the governments of Canada and Ontario each appointed a representative and survey work was extended to the twelfth base line and reached completion in 1921-22.

In 1929 both Manitoba and Ontario passed acts of consent, accepting and confirming as the true and unalterable boundary between the two provinces the survey that had been made by the two commissioners and marked on the ground from the northwest angle of the lake of the Woods to the twelfth base line.

The parliament of Canada did not pass any legislation at that time to confirm that part of the boundary because it was thought advisable, I am informed, to wait until the boundary was completely surveyed and marked. The last part of the boundary, from the twelfth base line to the shores of Hudson bay, have since been surveyed and marked by monuments of a permanent nature under the supervision of commissioners appointed by Manitoba, Ontario and Canada.

The two provinces have expressed the wish that the boundary line thus surveyed and marked be accepted and confirmed. Both provinces have passed acts consenting to a declaration to that effect by the parliament of Canada. The purpose of this bill is to carry into legislative effect the request of Ontario and Manitoba, and it is also in accordance with the provisions of section 3 of the British North America Act, 1871.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, there is only one thing I noticed in connection with the minister's remarks, and that was that he was very careful to avoid any use of the word "dominion" in his reference to Canada. I took his words down and he said that the new boundary was the result of surveys made by representatives of the provinces of Ontario, Manitoba and Canada.

This seems to me to indicate that, far from achieving any great national sovereignty for Canada, the sole result of the elimination of the word "dominion" has been that we have reverted to provincial status. Perhaps the minister may have some explanation to offer.

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.*

Mr. Knowles: I take it from what the minister has said and from what is set out in the bill that what we are now being asked to do in the parliament of Canada is based on the provisions of section 3 of the British North America Act, 1871, which was chapter 28 of the statutes of the United Kingdom, Victoria 34-35. Section 3 reads as follows:

> The parliament of Canada may from time to time, with the consent of the legislature of any province of the said dominion, increase, diminish, or otherwise alter the limits of such province, upon such terms and conditions as may be agreed to by the said legislature, and may, with the like consent, make provision respecting the effect and operation of any such increase or diminution or alteration of territory in relation to any province affected thereby.

Section 6 of the same statute seems to have bearing on the case of Manitoba, but it does not alter what is set out in section 3, which I have just read. The question I should like to put to the minister is this. By this act are we merely making clear the line that has been recognized, or are we altering the line in any way? If so, which province is gaining a bit of territory and which is losing, and how much?

Mr. Prudham: In 1930, by astronomic calculations, a certain point was fixed indicating the point of intersection of the 89th meridian of west longitude with the south shore of Hudson bay. In 1947 and 1948 ground surveys established that the point of intersection was actually 21·4 feet west of the point that had been established in 1930. The result of the correction was an increase of some 200 acres to Ontario. There is no doubt that section 3 of the British North America Act applies to the proposed legislation.

Mr. Knowles: I am sorry that the Minister of Citizenship and Immigration is not here in case he is interested in this point. What is the effect of this change on the redistribution act? Those few hundred acres which the minister refers to must be in the constituency of Kenora-Rainy River, the constituency of Springfield or possibly in the constituency of Churchill.

I do not ask this question in the levity that some people may attribute to it. It could be a very real issue. If a change is being made since the last redistribution bill was put through, and if 200 acres are involved, it is a very real question as to which constituency that piece of land is in. The minister stated that one of the reasons it was necessary to delineate this boundary was the mining developments up there. In other words, it could be that this would be not just some barren wilderness. It might be a town site. Perhaps the minister could comment on this phase of the matter.

Mr. Prudham: Mr. Chairman, I do not see that that problem is related to this bill. Certainly representation is not decided on acres. It is decided on population. It is extremely unlikely that there would be anyone living in that 200 acres.

Mr. Knowles: The minister says that representation is not decided on the basis of acreage. I would remind him that constituency boundary lines are drawn on a geographical basis, and that acreage is a geographical concept. In some areas—for instance, in the minister's constituency or in my constituency—200 acres might represent a good many people. I do not think the question should be brushed off as not being relevant just because the minister makes that statement.

The fact of the matter is that in the Representation Act there is a clause which covers the situation in case a city or municipality alters its boundaries after a redistribution act has been put through. If I remember correctly, the provision is that whatever the boundary was at the time the redistribution act was put through, that boundary stays even though a municipality or a city may change its boundaries. It is more than a

matter of academic interest as to what happens when the boundary between two provinces is changed.

Mr. Prudham: Mr. Chairman, I submit that my hon. friend is borrowing trouble. It has no relation to the bill before the committee.

Mr. Fulton: Can the minister tell us how many people live in those 200 acres?

Mr. Prudham: No.

Mr. Fulton: The minister does not know. Is there anyone who does know?

Mr. Prudham: I do not suppose so.

Mr. Fulton: Do any of the other ministers know?

Some hon. Members: Oh, oh.

The Chairman: Order.

Mr. Fulton: Have the minister's departmental officials looked into the question?

Mr. Prudham: It does not concern our department.

Mr. Fulton: It does not concern the minister's department whether anyone lives there?

Mr. Prudham: No.

Mr. Fulton: Does it concern the Minister of Northern Affairs and National Resources?

Mr. Sinclair: No. It concerns the provinces.

Mr. Fulton: The ministers just do not care whether or not anybody is living there and is affected by this change?

Some hon. Members: Oh, oh.

Mr. Abbott: They would still be living in Canada.

Mr. McIvor: I do not think we should be too much concerned now about this boundary line, since at the lakehead there is an energetic group of people who are fighting hard for a new province up there in northern Ontario because they think they are the forgotten people. A new line may soon be drawn, but that will be some time in the future.

Mr. Knowles: I said earlier, Mr. Chairman, that there was another section in the British North America Act of 1871 which had a bearing on this matter. At that time I said I would not take time to read it, but now I think I must do so. Section 6 of the British North America Act of 1871—and that is the act of which section 3 is the authority for what is now before parliament—reads as follows:

> Except as provided by the third section of this act, it shall not be competent for the parliament of Canada to alter the provisions of the last-mentioned act—

That refers to an act having to do with Rupert's Land and the North-Western Territory.

> —of the said parliament in so far as it relates to the province of Manitoba, or of any other act hereafter establishing new provinces in the said dominion, subject always to the right of the legislature of the province of Manitoba to alter from time to time the provisions of any law respecting the qualification of electors and members of the legislative assembly, and to make laws respecting elections in the said province.

The point I have raised is a relevant and valid one. I have read that section to indicate that when the British North America Act was amended in 1871 respecting provincial boundaries, provision was made as to the right of the province of Manitoba to legislate respecting elections in that province. In other words, if Manitoba gains in territory as a result of the moving of a line, Manitoba would have a right to take that new territory into consideration in its electoral laws. If it lost territory, it could amend its laws taking cognizance of that fact.

I submit that it is a very real question as to what happens to that area of 200 acres with respect to federal representation. The minister does not know whether or not there is anybody there. Even if no people are there now, there could be people there some time. I submit that the question should be looked into. If the Minister of Mines and Technical Surveys is not able to do it, I hope the Minister of Citizenship and Immigration, who knows all about representation acts, or the Secretary of State, who is responsible for matters in that field, might be ready with an answer on the point when we get to the third reading stage.

Clause agreed to.

Clauses 2 and 3 agreed to.

Schedule agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall this bill be read the third time?

Mr. Knowles: Next sitting.

Mr. Deputy Speaker: Next sitting of the house.

EXPLOSIVES ACT

AMENDMENTS RESPECTING IMPORTS, OFFENCES, CERTIFICATES, ETC.

Hon. George Prudham (Minister of Mines and Technical Surveys) moved the second reading of Bill No. 83, to amend the Explosives Act.

Explosives Act

He said: Mr. Speaker, the Explosives Act, which the bill now before the house amends in several particulars, has had a relatively recent history. The act was first introduced in parliament in 1911, and did not pass through all its stages before the session of that year concluded. The act was again introduced in 1914 and was passed that year. Proclamation of the measure was delayed on account of world war I until 1920. The original Explosives Act was based on the British North America Act of 1875. The purpose of the legislation is to provide a measure of control in the manufacture, testing, storage and importation of explosives in the interests of public safety.

The 1914 act, proclaimed, as I have said, in 1920, continued in operation until 1946. In that year it was revised because of post-war conditions. During the course of world war II a number of regulations were made under the War Measures Act in order to secure closer and more effective control over explosives. It has become advisable to recommend a number of new amendments at this time. One of these is to make clear that the Explosives Act applies to government agencies as well as to private firms and individual citizens charged with the use or control of explosives. The amendments include a broadening of the definition of "factory" to include land adjacent to the site where the manufacture of explosives is carried on, also all buildings on the said site.

The terms of licences under the act are dealt with as well as certain regulatory measures covering the importation and manufacture of explosives in order not to endanger public safety. The amendments deal with such matters as the inspection of magazines and the destruction of explosives which appear to be abandoned or in a position to be dangerous to persons and property. During the 33 years in which the act has been in force it has proved of value as a public safeguard.

Hon. members will appreciate that in the post-war period of expansion widespread use was made of various types of explosives. As a result of this act the quality and uniformity of explosives marketed in Canada have greatly improved. Although the use of explosives marketed in Canada has quadrupled since the act was first passed the number of accidents has shown a steady decline, owing to the control exercised by inspectors of explosives under this legislation. I might add that the manufacturers have also co-operated toward this end.

[Mr. Prudham.]

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—*Factory.*

Mr. Fulton: I notice that the purpose of this clause is to enlarge the definition of "factory" to include the site on which the factory stands. The present section reads:

> "Factory" means any building, structure or premises in which the manufacture or any part of the process of manufacture of an explosive, is carried on, and any building or place . . . within a factory site in which a finished explosive is stored.

Would the minister explain to us the necessity for the amendment? I must say that on reading through the bill there are quite a number of sections for which it is difficult to understand the necessity. I appreciate that it is desirable to make certain that the Explosives Act is clearly understood and easily enforced, but I must say that I am unable to appreciate the need for some of these amending sections. They seem to me to be mere verbiage. Can the minister say why it was considered necessary to amend this particular subsection to make it clear that "factory" includes the site; because it would be my impression that in any case that would have been the interpretation given to it by the courts. Is there a case which makes this necessary?

Mr. Prudham: This amendment is based on experience under the act. I am informed that when the word "factory" was first defined it was intended to cover by the definition not only the buildings in which the manufacture or any part of the process of manufacture of explosives is carried on but also all other buildings on the site and the site itself. The definition as it now reads seems to cover only buildings in which an explosive is manufactured or stored.

In a recent case in Ontario a person was found in the boiler room of a factory. The person was charged under section 21 of the act with trespassing upon the factory. The case was heard and the accused was found not guilty. Among the reasons given in the judgment one was that the accused, not being in a building where any part of the process of manufacture of an explosive was carried on, was not guilty of the offence with which he was charged. This amendment is to clarify that section and make sure that anyone trespassing on the premises will be liable as a trespasser.

Mr. Fulton: I should like to know whether that case was appealed. It seems to me to be an extraordinary decision.

The Chairman: Shall clause 1 carry?

Mr. Fulton: No, Mr. Chairman. I am trying to ascertain the necessity for this amendment, and I must say that the decision in the case to which the minister referred seems to be an extraordinary one. As I understood it, the minister said that one of the reasons, the main reason this amendment is considered necessary, is that in a case in Ontario a person found in the boiler room of an explosives factory was found not guilty of the charge because it was held that the manufacture of explosives was not carried on in the boiler room.

As I say, if I have understood the minister correctly that seems to me to be such an extraordinarily poor decision that what should have been done was to appeal it, because the present definition says that "factory" means any building, structure or premises in which the manufacture or any part of the process of manufacture of an explosive is carried on. Surely the boiler room would be part of the building in which the manufacture is carried on.

I am not questioning the fact that the decision may have been given, but if it was possible to give such a decision under the present section it seems to me that the same decision could be given under the proposed new section. What should have been done was to appeal the case to a higher court where you might have got a reversal of the decision, rather than to rush in immediately with an amendment. I should like to know whether the case was appealed.

Mr. Prudham: No, I do not think the case was appealed, but if this amendment is made no appeal will be necessary.

Mr. Fulton: Certainly in my experience that is not the usual reason law officers of the crown make their recommendations as to amendments. They usually try out the validity or enforceability of a section before expressing an opinion as to the necessity for amendment. Would the minister explain to me how it is expected that the present amendment will cure any defect, real or fancied, in the legislation which resulted in that decision?

Mr. Prudham: The proposed amendment defines more clearly what is meant by "factory".

Mr. Fulton: It does not deal with the point which the minister has cited as the reason for the amendment. The minister said the reason for the amendment was that an accused was found not guilty because he happened to be in the boiler room, and it was held that the boiler room was not a place where the manufacture of explosives was carried on. Let us compare the present proposed section with the old one.

The proposed section says:

"factory" means any building, structure, premises or land in or upon which the manufacture or any part of the process of manufacture of an explosive is carried on, the site on which such building, structure or premises are situated, and all other buildings, structures, or premises within such site;

The old section reads:

"factory" means any building, structure or premises in which the manufacture or any part of the process of manufacture of an explosive, is carried on, . . .

I am unable to appreciate how the proposed subsection would have any effect in curing the supposed defect in the present legislation.

Mr. Prudham: We have had some very competent law officers drafting this amendment. It is their opinion, and the opinion of our departmental officials, that the amendment more clearly defines the meaning of "factory".

Clause agreed to.

On clause 2—*Application of act.*

Mr. Prudham: Before we deal with clause 2, I should like to propose an amendment. The Department of National Defence is obliged to use road transportation more than in former years for the movement of explosives. This transportation may be effected by the Department of National Defence or by commercial vehicles. In the case of transportation by national defence vehicles, the necessary controls over transportation can be exercised by the department itself. The same situation does not apply in respect of commercial vehicles, in which case the safety of the public would be better ensured by the application of the regulations enacted under authority of the Explosives Act.

The following situations conceivably might arise: the transportation of Department of National Defence explosives from one depot to another or the transportation of explosives from railway points to areas or depots served only by road; the transportation of Department of National Defence explosives originating in the United States for delivery to ammunition depots; the transportation of Department of National Defence explosives from a factory in Canada to storage depots. For these reasons I would ask my colleague the Associate Minister of National Defence to move the following amendment:

Strike out all the words in line 15 and substitute the following therefor;

"3. (1) Except as provided by the regulations, this act does not apply to or in respect of any . . .

Mr. Campney: I so move, Mr. Chairman.

Mr. Gauthier (Nickel Belt): I should like to say a few words about the Explosives Act. I just noticed that the minister's amendment seems to give consideration to the Department of National Defence in the transportation of explosives. Can the minister tell me whether this amendment will cover also the cargoes of commercial vehicles? Will commercial vehicles be permitted to carry more tonnage than they were permitted to carry under the old act?

Those of us who have had experience with the mining industry, which probably uses the largest part of the explosives used in this country during peacetime, find that commercial vehicles are not permitted to carry sufficient tonnage. As the minister said a few minutes ago the act was first introduced about 1910, during the days of the horse and wagon. It has not been revised since. Today there are heavy commercial vehicles capable of carrying heavy loads. Can the minister tell us if some consideration is being given by the departmental officials to increasing the tonnage permitted under the act? That is a problem facing all the mining companies in the country today. I believe the maximum load now is one ton, and that was all right in the early days. I know that today this limit is not practical; it is not economically sound when applied to mining operations.

Mr. Prudham: The whole matter is being carefully studied at the present time. The provinces and municipalities also establish limits on the loads of explosives. The whole question is being studied with the various provincial governments with a view to adjusting the old limits.

Mr. Fraser (Peterborough): Does this act prohibit a private individual from carrying dynamite in his automobile?

Mr. Prudham: Yes, without a permit.

Mr. Fraser (Peterborough): Can the minister tell me if a private individual needs a permit today to have explosives in his possession?

Mr. Prudham: Yes, he must have a permit if the quantity exceeds 150 pounds.

Mr. Fraser (Peterborough): They did during the war, but after the war that provision was removed. Has it been reinstated?

Mr. Prudham: So far as I know, it has when the quantity exceeds 150 pounds.

Mr. Pearkes: It was extremely difficult at this end of the house to hear what the minister was saying. There was a certain amount of noise, and I am afraid I did not catch the exact implications of this amendment in so far as national defence vehicles were concerned. Will the minister please explain that? If he has already done so I apologize for asking him to repeat it, but I could not hear a word that was said concerning the effect this amendment will have on national defence vehicles.

Mr. Prudham: Mr. Chairman, subsection 1 of section 3 of the act exempts the Department of National Defence from control by this department. At the suggestion of the Department of National Defence we are proposing this amendment to cover explosives belonging or consigned to the Department of National Defence while they are being transported by a commercial carrier.

Mr. Fulton: In other words, the Department of National Defence is going to be bound by any regulation made under this act.

Mr. Prudham: No, that is not correct. This act will apply to explosives or ammunition owned by or consigned to the Department of National Defence while in the hands of private carriers, but not while in the hands of the Department of National Defence itself.

Mr. Fulton: As I understand it, the proposed section will now read as follows:

> Except as provided by the regulations, this act does not apply to or in respect of any explosives under the direction or control of the Minister of National Defence.

That would be the whole of the new section 3 (1), would it not? I understand that would be the reading of the new 3 (1).

Mr. Prudham: Yes.

Mr. Fulton: Therefore it seems to me that the regulations might apply to explosives under the control of the Minister of National Defence. That seems to be obvious, does it not?

Mr. Prudham: I have another amendment to section 3 which I think will clarify what my hon. friend is asking.

Mr. Balcom: Do I understand that any movements of explosives in Halifax harbour, for instance, made by naval authorities are not supervised under this provision?

Mr. Prudham: That is right; so long as they are in the hands of the Department of National Defence, we have no control over them.

Mr. Balcom: Is the minister's department undertaking to see to it that movements of explosives such as I have described are properly supervised?

Mr. Prudham: We have no control whatever over explosives in the hands of the Department of National Defence.

Mr. Fulton: The minister will have control if the amendment he is now proposing is accepted. He will note that amendment says:

Except as provided by the regulations, this act does not apply to or in respect of any explosives under the direction or control of the Minister of National Defence.

Therefore surely it must follow that the minister can make regulations governing the storage, control and handling of explosives by the Department of National Defence, if this amendment carries. Is that not so?

Mr. Prudham: This amendment is intended to cover explosives of the Department of National Defence while in the hands of private carriers, but not when such explosives are in the hands of or are being transported by the Department of National Defence itself.

Mr. Fulton: That would be a matter of regulation. But the fact remains that if this amendment carries the minister can make regulations governing the handling of explosives by the Department of National Defence, within the limits of section 4, giving him power to make regulations. In other words any regulations he can make under section 4 he can now make with respect to explosives under the control of the Department of National Defence. I think probably that is a good thing; but I am just pointing out that if this amendment now proposed is accepted, that will be the situation.

Mr. Prudham: No; the Department of National Defence has always been and still is exempted from the provisions of this act. The proposed amendment deals with explosives belonging to the Department of National Defence while in the control of or being transported by private carriers.

Mr. Macdonnell: Subject to the regulations.

Mr. Fulton: Let us start at the beginning and go through it again just to see where we are. Section 3 as it now stands reads:

This act applies to the possession, storing, sale or offering for sale, making, manufacture or importation of explosives by or on behalf of Her Majesty in right of Canada or any province except explosives under the direction or control of the Minister of National Defence.

Therefore under the present section 3, explosives under the direction or control of the Minister of National Defence are exempt. The bill now before us, letter C of the Senate and Bill No. 83 of the House of Commons, starts out by saying:

Section 3 of the said act is repealed—

That is, section 3 is wiped out.

—and the following substituted therefor:

And now we have the amendment in the form of what is to be substituted for the old section 3. This is the amendment, and I am now reading it in conjunction with the rest of the words in section 3 (1) as they appear in the bill before us. Together they will read as follows:

Except as provided by the regulations, this act does not apply to or in respect of any explosives under the direction or control of the Minister of National Defence.

If, as in this instance, there is an exception, that except as provided by regulations the act shall not apply, then the effect of the new section 3 is to say that the minister may make regulations which shall apply to the Department of National Defence. Therefore all the regulations which he may make under section 4, which is the regulation-making section, it seems to me can be applied to the Department of National Defence.

Mr. Prudham: The regulations can only be made by order in council, by the governor in council, not by the minister.

Mr. Macdonnell: That does not matter.

Mr. Fulton: I had not reached the end of the act, which says when regulations have to be made. However, I think the minister is not correct in his statement.

Mr. Prudham: It has to be approved by the governor in council.

Mr. Fulton: We will accept the minister's word when he says that regulations have to be made by the governor in council. Then the governor in council may make regulations which apply to the Department of National Defence, because that provision is now specifically covered by the exception now being enacted.

Mr. Prudham: As I said before, I shall propose another amendment. I believe if I were to read it the hon. member would be satisfied. I propose to add to section 4 of the act—

Mr. Fulton: Oh, well—

Mr. Prudham: —another clause which will be known as the new subsection (o), in these words:

(o) Prescribing the circumstances in which explosives shall for the purposes of this act be deemed to be or not to be under the direction or control of the Minister of National Defence.

Mr. Fulton: That is to be an additional clause in the amending bill, is it?

Mr. Prudham: Yes.

Mr. Fulton: Perhaps the minister would read it again.

Mr. Prudham: The purpose is to add to clause 3 of the bill a new subclause:

Section 4 of the said act is further amended by striking out the word "and" after paragraph (m) thereof, by inserting the word "and" at the end of paragraph (n) thereof and by adding thereto the following paragraph:

(o) Prescribing the circumstances in which explosives shall for the purposes of this act be deemed to be or not to be under the direction or control of the Minister of National Defence.

I think that covers the point.

Mr. Knowles: That does not alter the position as stated by the hon. member for Kamloops. Can we not put this in laymen's language? What is being said is that this act does not apply to the Department of National Defence unless it is made to apply to that department by means of regulations. Then the minister says that section 4 of the act, which sets out the regulations, is going to be amended. And in what way is it going to be amended? It will be amended to say that the governor in council may make regulations defining under what circumstances the governor in council can, by regulation, decide that the act is to apply to the Department of National Defence.

Is not the hon. member for Kamloops perfectly right in saying that the door is being left wide open for the governor in council to decide on this matter whichever way it wishes? He is not suggesting, and neither am I, that it is not all right to do that. As a matter of fact I think it might be a good idea. But why deny it? We have heard about double negatives, but I have not figured out whether this is a triple negative or a quadruple one.

Mr. Prudham: As I said before, this amendment was proposed by the Department of National Defence. They saw the possibility of the public not being protected adequately in certain phases of departmental operations. After lengthy consultation during the last couple of weeks with officials of the Department of National Defence, the Department of Justice and my department, it was thought that, in the light of certain circumstances which they could foresee, in which explosives belonging to the Department of National Defence might be transported by private conveyances or commercial vehicles, regulations could be set up under the act to protect the public. I think it is quite in order.

I hope I have made clear to my hon. friends what is intended. I do not know why my hon. friend fears what might be done by order in council. We have two ministers of national defence in the cabinet at the present time. I am sure the interests of national defence will be adequately looked after. This department is not anxious to encroach on their territory at all, but we are anxious to protect the public. That is why we are proposing this measure.

Mr. Fulton: The minister appears to have misapprehended the point of my remarks. What I was trying to establish was what the position would be if this amendment carries. I think we have that clear now. Under this act it will be possible to make regulations governing explosives, even though they are still under the control of the Minister of National Defence. I think that is a good thing. I am not worried about encroaching on the power of the Department of National Defence. That is the effect of the amendment now before us.

Then the minister goes on and says it is subsequently proposed to introduce another amendment, I suppose laying down the conditions upon which and the limits within which those regulations making this act applicable to the Department of National Defence may be drawn up and enacted. Well, that is all right, except that I hope the authority given under the proposed amendment to section 4 will not be too widely used so as to make it almost impossible for the minister to make regulations applying to the Department of National Defence, because I observed in my reading of the debate in the Senate, where this bill originated—and it was a limited debate—that great concern was expressed there by certain honourable senators, whom I am not going to quote, as to the necessity for power to regulate the conditions under which the Department of National Defence might handle explosives.

Therefore it seems to me that the amendment to section 3 of the bill is designed to give the minister power to do that—I am glad he will have that power—yet under section 4 his power is limited. Perhaps I cannot add too much to it. I do not see the need of the amendment to section 4, personally.

Mr. Pearkes: I have one question for the minister. He referred to explosives of the Department of National Defence being carried in vehicles. What would be the position of explosives of the Department of National Defence being carried in vessels? A large quantity of ammunition is moved from the mainland of British Columbia to various magazines on Vancouver island. It is transported by commercial vessels, not by naval vessels; by steamship, by tug and barge.

Mr. Prudham: In that instance the Department of Transport would have control of explosives transported by ship.

Mr. Pearkes: Then this act does not cover the movement of explosives of the Department of National Defence by water, by vessel?

Mr. Prudham: We control only transportation by road. The Department of Transport would have jurisdiction over the shipment of explosives in civilian vessels. If it were a national defence ship the Department of National Defence would have control.

Mr. Pearkes: Does it require an act of parliament to cover that point? Would the Department of Transport not be governed by this act, as well as the minister's department?

Mr. Prudham: The governor in council makes regulations under the Canada Shipping Act to cover such circumstances as my hon. friend mentions.

Mr. Nowlan: Does the minister mean that if explosives are being transported in Halifax harbour to the magazine, and a situation develops such as developed two years ago, control of the shipment would not be covered by this amendment to the act? Surely we are not being told that we have an Explosives Act dealing with the shipment of explosives in Canada, yet when they are moved by water they come under the jurisdiction of the Minister of Transport. I am sure the Minister of Transport would be much surprised to find out that he is responsible for that.

The Deputy Chairman: Shall the amendment carry?

Mr. Fulton: We are waiting for an answer.

Mr. Pearkes: We are waiting for an answer.

Mr. Prudham: I have nothing further to add. The regulations governing the carriage of explosives on vessels would come under the Minister of Transport.

Mr. Nowlan: This act has nothing to do with the transport of any explosives by water under any circumstances whatsoever?

Mr. Prudham: By ship or vessel, no.

Mr. Nowlan: By water; I do not care whether by vessel or what.

Mr. Prudham: No.

Mr. Nowlan: I am asking about the transport of explosives by water. This act has nothing to do with that?

Mr. Prudham: Not by ships or vessels. I understand we have control of shipment made by barge or small craft.

Mr. Nowlan: In other words, with a situation such as developed at the Halifax magazine more than two years ago, the matter would come under the minister rather than under the Minister of Transport? Is that correct?

Mr. Prudham: Would the hon. member mind repeating his question?

Mr. Nowlan: As I understand it, then, a situation such as occurred two years ago at Halifax, when explosives were being transported to the magazine and an explosion occurred, would come under the minister, or would it come under the control of the Minister of Transport? I said two years ago. It was longer than two years ago.

Mr. Prudham: I do not know the circumstances to which my hon. friend refers. I could not say.

Mr. Nowlan: I will tell the minister. If he does not know he should know, because he is responsible for the administration of this act and for the control of explosives. Explosives were being transported in Halifax harbour by barge. Owing to some circumstances which were investigated the explosives caught fire, and as a result there were a series of explosions which caused loss to the Department of National Defence and also to the city of Halifax. As those explosives were being transported on that particular day, would the control of that transport come under the minister who is piloting this bill through the house or would it come under the control of the Minister of Transport?

Mr. Prudham: That is a very reasonable question. I have asked the director of the explosives division to come in, and I shall get the answer.

The Deputy Chairman: Shall clause 2 as amended carry?

Mr. Macdonnell: As I understand it, the minister has drawn this distinction. If explosives are in barges or in small craft, then they come under this act; but if they are not in barges or small craft, in other words if they are in larger vessels, then they come under the Department of Transport. Those terms seem very vague to me. Are they defined in any way? How small is "small"?

Mr. Prudham: Mr. Chairman, this department has jurisdiction over explosives used by all craft not regulated by the Canada Shipping Act.

Mr. Nowlan: What craft are regulated by the Canada Shipping Act?

Mr. Prudham: Anything over 10 tons registered.

Mr. Macdonnell: There is another thing I do not understand. The minister has used a word which puzzles me. He said explosives used by what?

Mr. Prudham: Transported by.

Mr. Macdonnell: And that applies to 10 tons and under. That is small craft. Does that apply to a barge, for example?

Mr. Prudham: It would if the tonnage happened to be less than 10 tons. If the tonnage of the craft, regardless of whether it was a barge, boat or ship, was under 10 tons this department would have jurisdiction.

Mr. Nowlan: Has the minister consulted with the Department of Transport to see if that department has regulations governing the transportation of explosives in craft over 10 tons and parallel with these regulations. What is the purpose of passing this act if it should so happen that the Department of Transport permits the movement of explosives without any parallel regulations.

Mr. Prudham: The answer is yes.

Mr. Nowlan: Are the regulations the same?

Mr. Prudham: They are not the same, but there is no conflict.

Mr. Macdonnell: Where exactly does that leave us, Mr. Chairman? They are not the same, or so we are told, but presumably they are as good. Why are we labouring over all this to ensure the safety of the public when we might find there is another act which may deal with it in an entirely different way. Can we assume it is just as good?

Mr. Prudham: Mr. Chairman, the Department of Transport has regulations under the Canada Shipping Act governing the transportation of explosives. I am sorry I do not happen to have a copy of the regulations here, but I am given to understand they are drafted and designed to protect the public safety. I would suggest that perhaps when the Minister of Transport's estimates come up hon. members might then be able to obtain the details.

Mr. Nowlan: I know very well, Mr. Chairman, that the minister should not be held responsible for the regulations of the Department of Transport. It is quite obvious we cannot expect him to answer for that department. But if there were regulations of the Department of Transport they were either not enforced or were very poorly drafted and prescribed because of what we know happened in Nova Scotia some years ago. I am wondering just what authority there is for the passing of these regulations by the Minister of Transport. Is there a section in the Canada Shipping Act with reference to the passing or making of regulations for the control of explosives? If so, why should we have this long act before us now dealing with this matter if it can be dealt with by any minister by simply passing regulations?

The Deputy Chairman: Shall the clause as amended carry?

Some hon. Members: No.

Mr. Macdonnell: If the minister has nothing further to say to the hon. member who has just spoken, I want to ask him a question.

Mr. Prudham: Mr. Chairman, I cannot speak for the Department of Transport. The bill before us is to amend the regulations as regards explosives under the control of this department. We have the control of explosives transported by road and control over the manufacture and storage of explosives, but we do not have control over shipping in so far as the transportation of explosives is concerned, and I am sorry I cannot answer the hon. member's question.

Mr. Macdonnell: But that does not seem to make sense. If in fact what we are doing now is trying to tighten up and improve the carriage of explosives in the manner the minister has explained, and in accordance with the restrictions he has outlined, then I presume this bill was brought in because it was considered an improvement on the existing situation. If that is so, can the minister say what improvement he is making within his jurisdiction, which presumably is worth while making because we have this bill? Are we going to have a situation left in the Department of Transport where no improvement is being made, or are the improvements contained in this bill applicable to explosives being transported by sea.

Mr. Prudham: That is right. It is considered an improvement.

Mr. Macdonnell: If that is the minister's answer I will accept it for the moment.

Mr. Nowlan: The minister has told us that the amendment which he has introduced and which the chairman is asking us to agree to is being made at the instigation or suggestion of the Department of National Defence in so far as this act is concerned. What is the position of the Department of National Defence with respect to the shipping act. If there are regulations which are parallel are they being amended? If not, why not; and if not, why should this bill be brought in?

The Deputy Chairman: Shall clause 2 as amended carry?

Some hon. Members: Carried.

Some hon. Members: No.

Mr. Prudham: Mr. Chairman, I have just been told that the Department of National Defence observes the rules applying to the shipment of explosives while such explosives are on vessels under the control of the Department of Transport. The Department of National Defence observes the regulations laid down under the Canada Shipping Act regarding explosives. That is as much as I can tell the hon. member.

Mr. Gauthier (Nickel Belt): Mr. Chairman, the minister said a few moments ago that this bill covers the transportation of explosives by road. Can he tell me if consideration is being given to increasing the tonnage of explosives that may be carried in respect to road transportation?

Mr. Prudham: Mr. Chairman, I answered the hon. member on that point on a previous occasion. The whole matter is being reviewed at the present time with the provincial and municipal authorities in order to determine if any increase in the load limit is justified.

The Deputy Chairman: Shall clause 2 carry?

Some hon. Members: Carried.

Clause agreed to.

On clause 3—

Mr. Fulton: Mr. Chairman, I understand the minister is going to move an amendment at the end of this clause.

Mr. Prudham: Yes.

Mr. Fulton: I want to ask him this. I grant it may not be of any fundamental importance at first sight, but I am one of those people who cannot understand the necessity of amending a statute unless the necessity becomes apparent. I would ask the minister to read paragraph (b) in clause 3 carefully and compare the new subsection (b) with the present subsection (b). In the explanatory notes to the bill we find the following:

> This amendment will authorize regulations to provide for the suspension or cancellation of licences, permits and certificates, as for example, where the holder thereof fails to comply with any provision of the act, the regulations or the terms or conditions of licences, permits or certificates.

Subsection (b) now says that the governor in council may make regulations—

> (b) prescribing the form and duration of licences, permits and certificates issued under this act, the terms and conditions upon which such licences, permits and certificates shall be issued, and the fees to be paid therefor;

Surely if the governor in council has the right to prescribe the terms and conditions under which such licences will be issued, he would have the right to say that if you commit a breach of the terms or conditions or of anything else under the act or of any regulation under the act, your licence or certificate shall be cancelled. I therefore cannot see the slightest suggestion of any necessity for this amendment.

If the minister is prepared to say that some legal authority exists or some case in which he has tried to make a regulation or in which the governor in council has tried to make a regulation prescribing the conditions upon which the licence shall be cancelled, and that that regulation has not stuck, then all right; perhaps there is a need for the amendment. Otherwise it seems to me that the section in its present form gives him an absolute right to decide the terms and conditions upon which the suspension or cancellation of a licence, permit or certificate will follow. I cannot see any need for this amendment, and I think it is wasting the time of the committee to have a section presented in this form.

Mr. Prudham: I do not think the hon. gentleman should accuse me of wasting time in this chamber.

Mr. Sinclair: The minister is the last man he should accuse of that.

Mr. Prudham: This amendment is intended to clarify the powers given under that section. It gives authority to the governor in council to provide regulations for the cancellation and suspension of licences, permits and certificates. The regulations will fix the conditions under which licences, permits and certificates may be cancelled or suspended.

Mr. Fulton: You could do that now.

Mr. Prudham: The reason for cancellation or suspension will be such things as overstocking of explosives or storing initiating explosives with blasting explosives. The regulations will also provide for temporary disposition or storing of the explosives pending further action, such as the laying of a charge against a delinquent and the disposition of such charge or charges. Section 16 of the act which is repealed by this bill provides for the suspension and cancellation of such licences, permits and certificates, but only after a person has been charged with any violation of the provisions of the act or regulations. This condition makes the administration of the act very difficult, in that most of the violations of the act are committed in very remote places with the result that an unnecessary delay in the suspension might result in a very serious accident which might otherwise be avoided.

In the second amendment under clause 3 of the bill the word "conditions" has been added for obvious reasons. It is not only necessary to prescribe the manner in which explosives shall be handled and stored but also the conditions under which such explosives may be stored. Conditions vary according to circumstances. This gives the governor in council power to prescribe for conditions as they may develop.

Mr. Fulton: I should like to ask the minister this question. Has he ever issued a permit or licence prescribing that if the holder of the permit or licence commits a breach of any of the regulations made under the act or of any of the provisions of the act, his licence shall be cancelled, and had that provision in the licence questioned in the courts?

Mr. Prudham: One of the purposes of this amendment is to prescribe that the terms of the licence should apply as well as the regulations under the act. That was indefinite before.

Mr. Fulton: My point is this. The minister is now going to have the right to authorize regulations to provide for suspension or cancellation of licences, for example, where the holder fails to comply with any provision of the act or the regulations or the terms of the licence.

Mr. Prudham: Regulations or the terms of the licence.

Mr. Fulton: No; the regulations or the terms or conditions of the licence, permit or certificate. If the minister makes it a term upon which he grants the licence that any breach of the regulations or provisions of the act shall result in suspension or cancellation of the licence, it seems to me that is all the power he needs; and he has that power now, as I read the present provision. I want to know whether the minister or his predecessor ever tried to impose conditions upon the breach of which a licence would be suspended or cancelled and had it questioned in the courts or elsewhere, as to whether he has any right to impose such conditions, because it seems to me that he has the clearest right to impose such conditions at the present time.

The Deputy Chairman: Shall clause 3 carry?

Mr. Fulton: No.

Mr. Prudham: I am told that in certain instances in the past it was impossible to prosecute because a misdemeanor was a breach of the terms of the licence rather than of a specific regulation. We are now proposing to make the specific regulation, so that it will be possible to prosecute if necessary.

Mr. Fulton: Then there have been cases in the experience of the department—and this was my question some time ago—where it has not been possible to prosecute. We are not dealing with prosecution here. We are dealing with cancellation of a licence. As I see it, this section does not seek to confer any right of prosecution. This section merely seeks to make it possible to impose terms or conditions upon which the licence will be cancelled. Therefore the argument which is now given is not relevant to this consideration at all, namely that prosecutions could not be launched. The question is this. Could you cancel the licence? Have you ever tried to cancel a licence or to impose terms regarding the suspension of a licence which you were not able to enforce?

Mr. Prudham: My understanding is that under the act as it was previously, you had to prosecute before you could cancel a licence.

Mr. Fulton: You had to prosecute?

Mr. Prudham: You had to prosecute before you could cancel. This provision permits cancellation prior to the legal procedure.

Mr. Fulton: I am sorry, Mr. Chairman, but I am unable to follow the argument. I must confess that one of the disadvantages we are under here is that while this bill was apparently considered by the banking and commerce committee of the Senate, and these amendments were reported to the Senate, the discussion in the other house occupied just under one full page of *Hansard*. There is no detailed discussion of the amendment, and unfortunately there is no *Hansard* report of proceedings in the committee of the other house. There is therefore not much we can get by way of previous information about this bill.

I regret that I am unable at the moment to understand the application of the argument being made by the minister. This section does not ask for the right to prosecute. I cannot understand that on any previous occasion it would have been necessary to prosecute before you could cancel the licence, because the minister had the power to prescribe the form and duration of the licence and the terms and conditions upon which it should be issued. Therefore, if he had that power, he could have said that one of the terms upon which the licence was issued was that any breach of the regulations or other provisions of this act would result in automatic cancellation. Why would he have to prosecute? Surely he would cancel, and then the person holding the licence might bring an action questioning his right to cancel.

I am asking the minister if any such action was ever brought and whether the right to cancel has ever been questioned by the courts. I have not had an answer yet.

Mr. Prudham: I am told that our legal advisers doubted the validity of the previous clause, and this amendment will give the same powers to the terms of a licence that we now have by regulation.

Mr. Fulton: Oh, well, Mr. Chairman, it becomes a little bit problematical as to whether one should hold up this clause any further. I can only say that the minister has not satisfied me. I say, with due respect, that he has not satisfied me that he needs this amendment in order to have the power to cancel licences. I certainly do not question the good faith of his legal advisers or anybody else who is advising him, but I say in all seriousness that ministers should not bring amendments before the house without being able to give us more substantial grounds for them than are now being presented to us. Having made that comment, I shall not continue to oppose the adoption of this section.

Mr. Prudham: I should like to read the proposed amendment once again:

Add to clause 3 of the bill a new subclause as follows:

(3) Section 4 of the said act is further amended by striking out the word "and" after paragraph (m) thereof, by inserting the word "and" at the end of paragraph (n) thereof and by adding thereto the following paragraph:

(o) prescribing the circumstances in which explosives shall for the purposes of this act be deemed to be or not to be under the direction or control of the Minister of National Defence.

I would ask my colleague the Associate Minister of National Defence to so move.

Mr. Campney: I so move.

Amendment agreed to.

Clause as amended agreed to.

On clause 4—*Authorized explosives only.*

Mr. Harkness: I have two questions I should like to ask the minister on this clause. What is meant by "authorized explosive" as found in the last line of the clause? In other words, what is the difference between an authorized explosive and an unauthorized explosive? Second, what is the position under this clause, and I presume also under the foregoing clause, of a farmer who has a certain amount of dynamite on his farm for the purpose of blowing up stumps or anything else he may use it for? Is he required to have a permit or a legal form to have the dynamite in his possession?

Mr. Prudham: Supplementary to what I said earlier, no one needs a permit to buy explosives at the present time.

Mr. Harkness: Under this section apparently a man needs a permit in order to have them in his possession or to store them or to use them. That is why I want to know the position of a farmer who uses a little dynamite for ordinary purposes around his farm?

Mr. Prudham: An authorized explosive is an explosive that has been tested by the explosives division of this department and has been given authorization as a safe explosive. Any explosive that does not have that authorization is illegal.

Mr. Harkness: As I understand it, if a man has an explosive which has not been given explicit authorization by the department he is in breach of the law. How is he to know whether or not it has been given authorization?

Mr. Prudham: Only authorized explosives are manufactured in Canada.

Mr. Harkness: What about the ones that are imported?

Mr. Prudham: Imported explosives also have to have a clearance or authorization from this department.

Mr. Harkness: To come back to my question about the farmer, which the minister has not answered, the minister said that the farmer did not have to have a permit in order to purchase explosives, but what about this section that says he may not have them in his possession or store or use them?

Mr. Prudham: The section is designed to cover explosives that might be imported for purposes of experimentation. It regulates the quantity and the conditions under which such explosives may be imported.

Mr. Knowles: Ten o'clock.

The Deputy Chairman: Shall clause 4 carry?

Mr. Harkness: In order to be sure on this point, do I understand the minister to say that a farmer can buy, keep and use explosives without a permit?

Mr. Prudham: An authorized explosive, anything that is authorized.

Clause stands.

Progress reported.

Business of the House

BUSINESS OF THE HOUSE

Mr. Harris: On Thursday we shall continue with this debate. When it is concluded we shall take second reading of the bill to amend the Patent Act; then second reading of the bill respecting the Canadian forces, the bill respecting benefits for members of the Canadian forces, the bill respecting the War Service Grants Act, the bill respecting the national battlefields at Quebec, the bill with respect to the northwest Atlantic fisheries as a consequence of the resolution having passed tonight, and then second reading of the bill to amend the Telegraphs Act. It has been suggested that on Friday we might consider the Criminal Code throughout the day.

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

HOUSE OF COMMONS

Wednesday, February 10, 1954

The house met at 2.30 p.m.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 199, for the relief of Lois Helen Kutzman Caplan.—Mr. Hunter.

Bill No. 200, for the relief of Fernand Constant Daemen.—Mr. Hunter.

Bill No. 201, for the relief of Mary Kazymerchyk Senyck.—Mr. Hunter.

Bill No. 202, for the relief of Rosalie Hetty Arbess Sofin.—Mr. Hunter.

Bill No. 203, for the relief of Lucille Lafortune Wilson.—Mr. Hunter.

Bill No. 204, for the relief of Wilfrid Cote. —Mr. Hunter.

Bill No. 205, for the relief of Janca Fani Pollak Schlesinger.—Mr. Hunter.

Bill No. 206, for the relief of Sadie Marie Ansingh Grosheintz.—Mr. Hunter.

Bill No. 207, for the relief of Douglas Morrison Meldrum.—Mr. Hunter.

Bill No. 208, for the relief of Alec Lenetsky. —Mr. Hunter.

Bill No. 209, for the relief of Dorothy Lilian Asbury Davies.—Mr. Hunter.

Bill No. 210, for the relief of Nicholas Krauchuke.—Mr. Hunter.

Bill No. 211, for the relief of Esther Kohn Rosner.—Mr. Hunter.

Bill No. 212, for the relief of Marguerite Jazzar Nassar.—Mr. Hunter.

Bill No. 213, for the relief of Leona Bobby Denberg Wiseman, otherwise known as Leona Bobby Denberg White.—Mr. Hunter.

Bill No. 214, for the relief of Marianne Roos Axelrad.—Mr. Hunter.

Bill No. 215, for the relief of Margaret Jaunzen Dishler.—Mr. Hunter.

Bill No. 216, for the relief of Pearl Witzling Socolow.—Mr. Hunter.

Bill No. 217, for the relief of Jennie Chun Readman.—Mr. Hunter.

Bill No. 218, for the relief of Gizella Szabo Herczeg.—Mr. Hunter.

Bill No. 219, for the relief of Lilija Hedviga Treimane Jursevskis.—Mr. Hunter.

Bill No. 220, for the relief of John Richard Maher.—Mr. Hunter.

Bill No. 221, for the relief of Elizabeth McDonald Jones Roy.—Mr. Hunter.

Bill No. 222, for the relief of Claire Viola Frechette Ainsworth.—Mr. Hunter.

Bill No. 223, for the relief of Margaret Reta Dodge Parsons.—Mr. Hunter.

Bill No. 224, for the relief of Estella Cluett Jensen.—Mr. Hunter.

Bill No. 225, for the relief of Angelina Natale Beaucaire.—Mr. Hunter.

Bill No. 226, for the relief of Dorothy Miller Osborough Davidson.—Mr. Hunter.

Bill No. 227, for the relief of Marie Rose Gisele Houde Dionne.—Mr. Hunter.

Bill No. 228, for the relief of Olga Pscheidt Arsenault.—Mr. Hunter.

Bill No. 229, for the relief of Edward Robinson Harris.—Mr. Hunter.

Bill No. 230, for the relief of Cathrine Pieternelle Wytenbroek Knight.—Mr. Hunter.

Bill No. 231, for the relief of Anton Bliziffer. —Mr. Hunter.

Bill No. 232, for the relief of Theodore Rolfsmeyer von Berzeviczy.—Mr. Hunter.

Bill No. 233, for the relief of Agnes Broo Hammond Bailey.—Mr. Hunter.

Bill No. 234, for the relief of Emma Antoinette Rachel Lauzon McDuff.—Mr. Hunter.

Bill No. 235, for the relief of Idella Adeline Sharpe Cutler.—Mr. Hunter.

Bill No. 236, for the relief of Walter Leonard Woodward.—Mr. Hunter.

Bill No. 237, for the relief of Marion Shirley Barsky Burg.—Mr. Hunter.

Bill No. 238, for the relief of Florence Elene Thom Ward.—Mr. Hunter.

Bill No. 239, for the relief of William Jean Paul Powroz.—Mr. Hunter.

Bill No. 240, for the relief of Lewis Swailes.—Mr. Hunter.

Bill No. 241, for the relief of Shirley Goodlin Myrovitch.—Mr. Hunter.

Bill No. 242, for the relief of Germaine Lafond Joyal.—Mr. Hunter.

Bill No. 243, for the relief of Kenneth Charles Overbury.—Mr. Hunter.

Bill No. 244, for the relief of Hazel Emily Louise Hunter Naud.—Mr. Hunter.

Bill No. 245, for the relief of Pearl Agnes Harding Potvin.—Mr. Hunter.

Bill No. 246, for the relief of Samuel Goldberg.—Mr. Hunter.

Bill No. 247, for the relief of Nancy Elizabeth Borden Sise.—Mr. Hunter.

Bill No. 248, for the relief of Audrey Madeline Crothers Walklate.—Mr. Hunter.

Bill No. 249, for the relief of Joyce Gowrie Kimber Kendler.—Mr. Hunter.

QUESTIONS

AUDIENCE RESEARCH, C.B.C.

Mr. Thatcher:

1. Has the Canadian Broadcasting Corporation recently set up a bureau of audience research?

2. If so, (a) what is the purpose of such a bureau; (b) how many people are employed by the bureau; (c) what is the estimated annual cost to the Canadian Broadcasting Corporation; (d) was consideration given to utilizing experienced private agencies to do this work?

Mr. McCann:

1. Yes.

2. (a) To direct and co-ordinate research to determine the size, composition and characteristics of listening and viewing audiences and to investigate the reaction and preferences of Canadians to radio and television programs. The functions of the bureau will include qualitative as well as quantitative surveys; (b) Two; (c) Only a small staff will be employed. As a director was appointed only on January 1, 1954, there has not yet been sufficient time for the corporation to establish a definite budget on a yearly basis; (d) Yes. Several private agencies have been employed in the past and it is expected that the services of such agencies will be required in the future.

WAR VETERANS PENSIONS

Mr. Nicholson:

What has been the total pensions paid to Canadian veterans of (a) world war I; (b) world war II; (c) other war service?

Mr. Bennett:

Expenditures include those to pensioners and their dependents:	Expenditures as at 31st January, 1954	
(a) World war I	$1,419,681,470 22	
(b) World war II	458,625,407 74*	
(c) (i) Special force (Korea)	786,241 49	
(ii) Northwest rebellion (supplementary, section 55)	617,011 00	approx.
(iii) South African war (supplementary, section 54)	360,117 00	
(iv) Newfoundland special awards	141,471 84	
Total	$1,880,211,719 29	

* Includes civilian war pensions.

Expenditures for the Northwest rebellion and South African war are not available; the expenditure shown here is approximate.

SEASONAL UNEMPLOYMENT

Mr. Knowles:

1. Is there a subcommittee of the national council on manpower dealing with the question of seasonal unemployment?

2. If so, how long has this body been studying or investigating this matter?

3. Have any other sections or committees in the Department of Labour been studying or investigating this matter and, if so, for how long?

4. Have any recommendations yet been made with respect to the problem of alleviating seasonal unemployment?

5. If so, what are such recommendations?

6. Will any reports or recommendations on this question be dealt with during the present seasonal unemployment crisis?

Mr. Gregg:

1. Yes.

2. The national employment committee was asked by the national advisory council on manpower on December 10, 1952, to examine the question of seasonal unemployment and report back to the council.

3. The economics and research branch of the Department of Labour is assisting the national employment committee in conducting a survey of employers throughout Canada in regard to seasonal unemployment. It is also conducting statistical and other related studies on the extent and nature of seasonal unemployment in Canada.

4. A preliminary report on seasonal unemployment, including the results of the survey of Canadian employers, was considered at the last meeting of the national employment committee held in Winnipeg early this winter. This report which will contain recommendations for future action will be further considered at the next meeting of the national employment committee to be held in Ottawa on February 15, 1954.

5 and 6. See answer to No. 4.

UNEMPLOYED PERSONS, MANIWAKI, QUE.

Mr. Balcer:

1. How many persons were registered as unemployed on the lists of the unemployment insurance office at Maniwaki, Quebec, on December 1, 1953, January 1, 1954 and February 1, 1954?

2. Also on December 1, 1952, January 1, 1953 and February 1, 1953?

UNEMPLOYED PERSONS, HULL, QUE.

Mr. Balcer:

1. How many persons were registered as unemployed on the lists of the unemployment insurance office at Hull, Quebec, on December 1, 1953, January 1, 1954 and February 1, 1954?
2. Also on December 1, 1952, January 1, 1953 and February 1, 1953?

Mr. Gregg: I am answering the first parts of both these questions. If the hon. member will repeat his question with regard to February 1, I will provide the answers as soon as possible. The answer to the first question, as far as it can be given, is as follows:

1. Applications for employment: December 3, 1953, 360; December 31, 1953, 784.

2. Applications for employment: December 4, 1952, 177; December 31, 1952, 287.

The answer to the second question is as follows:

1. Applications for employment: December 3, 1953, 1,873; December 31, 1953, 2,835.

2. Applications for employment: December 4, 1952, 1,491; December 31, 1952, 2,108.

FARM LOAN BOARD COMMISSIONER

Mr. Zaplitny:

1. Who is the commissioner of the Canadian farm loan board?
2. When was he appointed to this position?
3. Were any farm organizations consulted by the government before the appointment was made? If so, what organizations?
4. Did these organizations recommend or approve the appointment?
5. What qualifications and/or past experience does the commissioner possess which would recommend him for this position?
6. Has the commissioner ever been a candidate for public office?
7. If so, when and which political party did he represent?

Mr. Benidickson:

1. Frank L. Chester.
2. January 25, 1954.
3. No.
4. Answered by No. 3.
5. Thirty years of business experience in the four western provinces.
6. Yes.
7. Winnipeg city council 1947-50.
   Manitoba legislature 1949—Liberal Progressive.
   Federal election 1953—Liberal.

MOTION FOR PAPERS

WATER POLLUTION—NORTH SASKATCHEWAN RIVER

Mr. Diefenbaker:

For a copy of all letters and telegrams which have passed since the 12th of November 1953, between any department of the federal government and the provincial governments of each of the provinces of Saskatchewan, Alberta and Manitoba, together with reports made to the federal department of health by all officials, investigators or analysts of said department, relative to the pollution of waters of the North Saskatchewan river by the alleged dumping into the river at a point near Edmonton, Alberta.

Mr. Robertson: As the hon. member has asked for copies of communications between this government and provincial governments it will of course be necessary to secure the permission of the provincial governments concerned, and steps have been taken accordingly. With respect to the reports made to the Department of National Health and Welfare by its officers, while these reports have always been considered privileged, in this instance we are pleased to bring these papers to the attention of the hon. member.

Mr. Coldwell: I rise on a question of privilege. The parliamentary assistant to the minister said that it is necessary to get the permission of the provincial governments to table these documents. Is it not a matter of courtesy rather than an obligation to get permission? As I said the other day, the practice seems to have changed over the last few years, and I think it should be straightened out.

Mr. Howe (Port Arthur): It has always been the practice to get the consent of the provincial government before tabling documents transmitted from that government to the federal government.

Mr. Speaker: Subject to the remarks made by the parliamentary assistant, this motion is carried.

UNITED NATIONS

TECHNICAL ASSISTANCE ORGANIZATION FUND—INCREASE IN CANADA'S CONTRIBUTION

Mr. Angus MacInnis (Vancouver-Kingsway) moved:

That in the opinion of this house, the government should consider the advisability of introducing legislation at this session to substantially increase Canada's contribution to the United Nations technical assistance organization fund.

He said: Mr. Speaker, it is with some hesitancy that I rise to speak in support of this resolution, although I am very earnest in expressing the opinion that we should increase our contribution to the United Nations technical assistance organization fund.

Sometimes in this house we hear criticisms of the United Nations. We hear it said that there is too much talking and too little in the way of achievement. I am afraid that those who indulge in that sort of criticism fail to make a proper appraisal of the achievements of the United Nations during a difficult

period. I am afraid, too, there is a tendency to forget that the United Nations itself represents a new concept in international affairs. Briefly its purpose, as I see it, is to promote co-operation amongst its members, and along with that to encourage the wealthier nations to help the poorer ones.

I think the house will agree with me that is a relatively new concept in international affairs. The United Nations has created a number of agencies in order to accomplish the purposes I mentioned, among which is the technical assistance organization fund. It is really these agencies, and not the United Nations itself, that do the work for which the United Nations was brought into being. I consider the purpose of the technical assistance fund to be of the greatest importance. I believe the government of Canada should support the fund to the limit of our ability.

I should like to say a brief word about the history of the technical assistance program. It was approved by the general assembly in November, 1949, and was created to meet the great need of the underdeveloped nations for technical aid. It was intended to be a means of implementing economic and social co-operation, a fundamental task of the United Nations as set out in article 55 of the charter. Perhaps the progress made in this endeavour has not been as great as we would have liked. The program probably has not been assisted financially by a number of nations to the extent necessary, and perhaps this is a reason why Canada's aid has not been greater than it has. Whatever the reason may be, my purpose today is to urge that Canada give greater financial support than has been the case in the past.

The program got off to a rather poor start. The amount voted for its work in 1950 only amounted to $20 million. I can recall another $20 million that was voted for a certain purpose in this country. After the general election of 1930, when unemployment was the great issue in Canada, a special session was called to deal with that problem. A sum of $20 million, which at that time was considered to be a large sum of money, was voted to resolve the problems caused by unemployment. Needless to say, the $20 million proved to be totally inadequate for that purpose. When we think of such a sum in relation to the great problems that are facing what we are pleased to call the "underdeveloped countries", we must realize how paltry it is. This $20 million was to cover a period of 18 months, and Canada's contribution was $850,000. If my memory serves me correctly, about 55 nations contributed, so that was considered to be not too bad a contribution by Canada.

For some reason our contribution in 1952 was reduced by $100,000 and was only $750,000. Probably the reason for that was that the total pledges of all countries was $19 million instead of $20 million. The economic and social council recommended a minimum of $25 million for 1953. Canada again promised to contribute $750,000, with an additional $100,000 on condition that the total of $25 million was contributed. I do not believe that the $25 million was raised, but in any case the Canadian government contributed another $50,000, bringing our total contribution for 1953 up to $800,000.

In my opinion, the expenditure under this heading should not be considered as a charitable handout. It should be considered as a part, and a very important part, of our defence program. I may refer to that again, but if there is one point I wish to get over to the house during the course of my remarks, it is that this contribution to the technical assistance fund should not be considered as a charitable handout, but what it is—that is if we make it of sufficient importance—a material factor in our program for peace. As a matter of fact, I believe government spokesmen at the United Nations agree with me in that contention. I am informed that the requests for economic and technical assistance from needy countries literally poured into United Nations headquarters in 1953, and that because of the lack of adequate financial means a large number of requests could not be met.

It seems strange to me that, although Canada's representative on the economic and social council in 1953 supported recommendations for a general increase in the United Nations budget for technical aid of approximately 31 per cent, Canada offered to increase her own share by only 13 per cent. To indicate how insignificant the total United Nations budget for technical assistance is—I have already made one comparison with the $20 million we voted for unemployment in 1930—I might state that in 1950 the city of New York spent nearly $57 million on garbage removal and street cleaning alone. The total appropriation for technical assistance during any year since the program was launched was considerably less than half of that amount.

In 1949 a committee of experts was set up by the economic and social council to investigate the problem of assisting backward countries. The report of the committee, a 108-page document, was issued in

May 1951. It dealt with the question of development in the underdeveloped countries. How unrealistic is the financial aspect of the United Nations technical program becomes clear as one reads the findings of this report.

The committee estimated that in order to increase by 2 per cent the per capita national incomes in the underdeveloped areas would require an annual capital import well in excess of $10 billion. This report is well worth reading, and if hon. members can get it I am sure they would be well repaid for the time taken to read it. I think copies are difficult to get. I know I borrowed one from the Department of External Affairs.

I shall quote briefly from this report at pages 84 and 86. At page 84 under the heading "Intergovernmental Grants" I find this:

> The principle that the better off should help to pay for the education, the medical services and other public services received by the poorer classes of the community is now well established within every member nation of the United Nations. The idea that this principle should also be applied as between rich and poor countries is relatively new.

I emphasize this point, and I think it is something we must keep in mind. It is not only new for the countries that are trying to help, but it is also new for the countries that are being helped. Difficulties may arise there, in addition to the difficulty of finding enough funds from the countries that are helping. It continues:

> It has however been put into practice on several occasions. The work of UNRRA is an outstanding example of United Nations collaboration in this sphere.

Then in the paragraph before that—and I read that one first because I felt it should be in that order—the committee of experts has this to say:

> We therefore urge most strongly that some mechanism be created by transferring from the developed to the underdeveloped countries, by way of grants-in-aid, a sum of money which should increase rapidly, reaching eventually a level of about $3 billion a year. This would be equivalent to rather less than one per cent of the national incomes of western Europe, Australasia, the United States and Canada.

I imagine that the countries in this group are the ones that provide most of the funds for the purposes of the technical assistance organization. Then the committee goes on to say:

> We do not suggest that aid should be given unconditionally to underdeveloped countries. This would not be wise. Each grant should be linked to a specific function, and there should be international verification that the funds are used only for the purpose for which they have been granted.

I think everyone will agree that that is an excellent recommendation.

Then, here are some of the purposes for which the committee of experts indicated the fund could be used:

> (a) Research and education. This includes grants for agricultural extension services, technical schools, farm schools, local universities and for training technicians abroad, grants to departments of governments, research institutes or universities, wherever located, working on problems of underdeveloped countries;
>
> (b) Public health programs, emphasizing preventive medicine and nutrition rather than curative medicine;
>
> (c) Subsidization of medium- and short-term farm credit;
>
> (d) Improvement of rural public works. This includes grants for roads, rural water supplies, land reclamation, drainage, soil conservation, afforestation.

I am sure these are very practical purposes. There is nothing fancy, if I may use that term, in the purposes proposed by the committee of experts.

When the question of establishing a special United Nations fund for economic development was discussed by the economic and social council in October of last year, Canada's representative took the position that Canada was unable at the present time to consider contributing to a development fund, because of the heavy burden of our defence expenditures.

In discussing the proposal, Canada's representative, according to a report in the Montreal *Star* of October 28, 1953, made this statement:

> When sufficient progress has been made in a world-wide scheme of disarmament the Canadian government will undertake to ask the Canadian people to devote any portion of the savings thus achieved to an international fund of the United Nations.

That is to me at least very heartening information. I hope the government means to carry out what its representative asserted on that occasion.

May I say at this point that when I first drafted the resolution to which I am now speaking, it contained another paragraph which I deleted before the resolution reached *Votes and Proceedings*. That paragraph was pretty much along the same lines as the assertion attributed to Canada's representative at the United Nations, according to the report in the Montreal *Star* of October 28, 1953.

I believe it was at the same meeting, that of October 28, 1953, the Canadian representative at the United Nations announced that the Canadian government, subject to parliamentary approval, was prepared to increase its contribution to the 1954 expanded program of technical assistance up to a maximum of $1,500,000 U.S. It was stated that this

increased contribution would be made if the support for the 1954 program by other countries warranted such action, and if the total of the contributions was sufficient to make a reasonable and workable program.

This may not be an exact quotation, but I took it from the monthly bulletin of the Department of External Affairs for the month of November 1953, at page 323. I regret very much however—the minister may be able to give a reason for it when he speaks—that the item in the estimates for the year 1954 is only $850,000.

As I said, the suggestion made by Canada's representative at the United Nations of increasing the amount that we contribute to technical assistance as soon as the burden of military preparedness is lessened, because of the easing of world tension, is an excellent one, and I do hope, as I know we all do, that the lessening of world tension may enable the government to act on it without delay. I really believe that a start could be made at this session. Indeed I hope—and "hope" is not too strong a word—that the government is not going to renege on that intention.

I hold in my hand the text of a statement made on November 12 by the Canadian representative at the fourth technical assistance conference, and I wish to quote from it because it meets I think in its entirety with my complete approval. It reads:

> I am sure that we all agree that the war on want is the road to peace.

If war on want is the road to peace—and may I say that I agree; I have already indicated that in what I said—then we should consider any contribution under this head not as something to aid people over a difficult period but as something to raise the standard of living of people in less favoured countries than our own, and thus build the sort of atmosphere that makes for peace rather than war.

The statement continues:

> The United Nations technical assistance program, by helping to improve standards of living and thus increasing the sense of security and brotherhood among the peoples of the world, is a considerable factor in the building of firm foundations for world peace. In another way, too, it helps in achieving this same purpose. We all know that changes in methods of production, in industrial technology and so on, are likely to hurt someone, even though in the long run the great majority may benefit from them. Our technical assistance program, by providing training and guidance where they may be most needed, can facilitate adjustment to the new ways and reduce to a minimum the temporarily harmful effects of too rapid industrial change. It is of course in the nature of a pilot plant—an experiment, but so far a successful one; . . .

May I interject here that this has been in my opinion so successful that we should not hesitate to increase our contribution to it. The statement goes on:

> —successful not least because all countries can contribute something useful to others. In fact, and from a selfish point of view, though we do not expect to be the direct recipient of technical assistance ourselves, we are sure that we, like others, shall share in the benefits of the program as a whole.

I said I was reading this because it is an excellent statement which every hon. member can approve. Before this debate on the resolution concludes I hope we shall have an expression of opinion, if not by a vote, at least by word of mouth, from those who are supporting the resolution that we do believe in this approach to this very important problem.

Mr. F. T. Fairey (Victoria, B.C.): I rise to give my unqualified support to the resolution just introduced by the hon. member for Vancouver-Kingsway (Mr. MacInnis). I do so because I have had some experience in underdeveloped countries, and I can testify to the value of this particular program. In my opinion the resolution suggests a form of assistance to underdeveloped countries, particularly those in the Far East or the Asian countries, which far exceeds in effectiveness any other proposal that has ever been made.

It must be remembered that while I support this suggestion, that Canada should be generous in the amounts set aside for this particular program, she is already, in company with many other countries of the commonwealth and indeed other members of the United Nations Organization, contributing and doing much in this field. One has only to learn something of the work of such organizations or agencies as UNESCO, the world health organization, UNICEF, the international labour organization and many other agencies. All of them have done work of this kind to improve the conditions of those people who live in countries which we are describing as underdeveloped. It must be realized, too, that all of them are based upon the fundamental concept that the best form of assistance is that which helps a person or a country to stand upon its own feet, and to stimulate a desire for self-development and improvement, to the end that self-support and independence may be the final result.

It is important, too, to understand that no self-respecting nation wishes to be the spasmodic or even the constant recipient of gifts in the form of charity. It does not matter in what form those gifts may be made, unless there is a program which will stimulate the

self-development of those people, then it fails just by that much. There is in all these countries the hunger for that kind of help which does no violence to individual or national pride.

It is well known that throughout all those "have not" countries there is a stirring of national consciousness and pride. This is desirable because it is accompanied by a desire to improve standards of living, which can only come about under two conditions, in my opinion: One, the absence of war and rumours of war; two, by receiving advice from those countries better developed, and continuing to give technical assistance so that the industries and resources of those countries may be developed by the use, or the implementation of suggestions leading to the use, of better techniques.

I would assert, Mr. Speaker, in fact, I know from actual experience, that assistance of the kind anticipated by this resolution is the only kind likely to achieve the thing we have in view, namely, the lifting up of our unfortunate brethren to a fuller and more satisfying life. I think Canada is especially placed in this regard and in a position to take the lead in this respect. I say frankly, and once again from actual experience, that there is no suspicion of ulterior motives attached to the name "Canada". In this we are unique. No matter how much they do or for how long other countries have been participating in these programs, there has always been a suspicion in the minds of some people: "What is the aim of this system?" No such suspicion attaches to Canada. That is why I think we are in a favoured position. We can move along and do what we can to help these people. Our ultimate objective is not questioned.

It was my good fortune in 1950-51 to represent Canada as a member of a three-man educational mission to Burma, one of the Asian countries. I spent six months in that delightful country travelling from north to south and from east to west. Our mission was educational in character. We were to investigate all aspects of the educational system of that country and make such recommendations as we thought proper for its improvement.

My own particular assignment had to do with the subject matter of the resolution which we have before us; it was in the field of technical and vocational education. It was my good fortune to see something of the conditions in India, Pakistan and Thailand from brief visits. I was also able to consult with scores of people representing varied groups, all with the same object in view—giving technical advice of one kind or another and assisting in various ways. I mention this trip of mine only to support my views as being based upon experience. In other words, I think I know what I am talking about and that is useful.

Mr. Gillis: And unusual.

Mr. Fairey: Burma is typical of other countries in that part of the world. It is a potentially rich country with most delightful people. But they are badly educated; they are wrongly educated in that their education has not fitted them to develop their own resources and to make their contribution where they live. Here we have a people with a national consciousness who feel constantly that they want to run their own show but who are frustrated because they feel unable to do it. They are rich in resources but poor in their ability to develop those resources.

I stated earlier that in my opinion the best form of assistance is one in which we take the long view. By hastening slowly we can put these people in a position, by training and education and guidance and help, to develop their own resources and to exploit them for themselves. Thus and thus only they may be able to raise their standards of living and contribute to the progress of society.

Of course the first thing they want is peace, because it is only under a condition of peace that they can obtain those skills which we hope to impart to them. You hear the cry throughout the Far East, India for the Indians, Burma for the Burmese, and so on. They do not want gifts from above unless they are given with the distinct understanding that the country is to be developed by its own people.

In my opinion it is useless to send out technicians and engineers unless they are going to institute a training program to train the people in those countries to become engineers and technicians. How can I do otherwise than urge a more generous attitude on the part of my own country when I have made certain recommendations in connection with Burma? I should like to quote some of the recommendations which I made. They are as follows:

1. That a director of technical education be appointed to serve in the department of education. That he be responsible for the over-all organization and direction of all forms of practical education.
2. That an advisory board of leaders in industry and engineering be appointed to act in a consultative capacity on technical education.
3. That at least two officials be appointed to plan and supervise actual instruction and to organize and conduct instructor-training courses.

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4. That the Insein Technical Institute be re-opened and furnished with the necessary equipment and teaching staff.

The institute was in a state of disrepair.

5. That consideration be given to the establishment of additional technical and vocational schools as soon as possible.

6. That the apprentice-training centre be re-organized in more suitable buildings.

7. That practical shop courses be planned for the secondary schools.

8. That consideration be given to the organization of mobile instruction units to instruct persons engaged in cottage industries in more efficient methods.

9. That agricultural colleges investigate the possibilities of extension work by the use of short-term courses or demonstrations by teams of competent instructors.

Perhaps I might develop one or two of those recommendations, particularly the one with respect to cottage industries. May I presume to explain to the house the conditions under which the people live in countries such as I am describing. This is an agricultural country, as most of them are, with a one-crop economy, that of rice. Between the harvesting of the crop and the planting of the new crop there is a long period of time. In most villages the people engage in cottage industries. That is to say, in their own homes they make a variety of articles. They weave silk, they make articles of apparel, ornaments and tools of various kinds.

If I may digress for a moment, I found boys and men making with very crude tools, cigarette lighters which they sold for seven rupees or $1.50 per dozen. They do very nice work in all these cottage industries; in fact they do marvellous work, but their tools are very crude and their output is limited. In other words, these people are living under substandard conditions. It is most certain they could increase their production and the saleability of their goods if they had proper instruction in more modern techniques, and particularly if they could be supplied with the proper tools and equipment. That is why one of the recommendations was that mobile units go around to give proper instruction. We felt, and I used this expression before, that we should make haste slowly.

That brings me to another point in connection with finance. I have supported the idea that Canada and other countries should be more generous in the provision of financial help to increase the ability of these people to develop their own resources. But I submit that it is not only the voting of money that will be effective. You can use only so much money at a time. We should vote sufficient money to initiate a program capable of being carried out and gradually increase it as we go along.

If I may summarize what I have said, Mr. Speaker, I would say, in conclusion, that there is a great need. There is no doubt about that. We have vast numbers of people living in conditions under which we could not survive. They are ignorant of modern methods in regard to almost anything you could mention.

I was particularly struck with the efficiency and valuable work done in this regard by the world health organization. When you see the conditions under which so many people live and eat, you are appalled that any of them are alive. I am thinking of one country in particular where the infant mortality rate is 50 per cent up to the age of 10, and that I believe is due to the fact that they are absolutely ignorant of any notion of sanitation, food preparation, food care, child care, and care of expectant mothers.

In my opinion the best organization we have in the whole gamut of world organizations is the world health organization, because unless people are living healthy lives you cannot do much for them. However, here we have a need and an urge from the people themselves. They want to develop their own country themselves. They want to be shown how to do it and then left alone. They do not want someone dominating them and telling them, "This is the way we do it in Canada and therefore you must do it in this way." In assisting these people we should recruit the type of person who understands them, their desires and aspirations and who will help them to build themselves up. It will be a slow process.

These people have a desire for peaceful development in order to become self-supporting. They have inadequate finances. In the country which I have described, the national budget was U.S. dollars $118 million, and they have an army, a navy and an air force. Perhaps I should complete the picture by stating that the total population is about 18 million people.

So far as Canada and the other western nations are concerned, it is essential that these people be persuaded that we have the very best of intentions. There is no doubt about it, Mr. Speaker, that to a program of this kind, while it has all the qualities we attach to it, among them being the idea of helping our fallen or underprivileged brethren, there attaches another practical and unquestionable value. It is no good talking to people who have very little to eat and ask them to choose between democracy and communism. They do not care two pins about that. They do not understand what

we are talking about. The thing to do is to show them by example and precept that we are interested in them and that our way of life is the better way of life.

Finally, Mr. Speaker, what do we get out of it as a nation? I believe we get the satisfaction of doing with our abundance something which will help those in poorer circumstances. That is about all. But we will make friends and surely this is an opportunity not to be neglected.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I want to give all the support I can to the resolution moved by the hon. member for Vancouver-Kingsway (Mr. MacInnis), except in regard to one or two small details. I cannot agree with his split infinitive because I do not think that would get by my editor. Apart from that I am 100 per cent in accord with this resolution, which calls for a substantial increase in the technical assistance grant.

I believe it is typical of this government that when the question first arose at the United Nations last fall, and when there was some suggestion that some of the other countries might cut down their grants for technical assistance, many people in Canada, solidly behind the United Nations, began to get nervous and make inquiries of the government, and one of the clearest-cut answers we ever got about extra spending of money by the government was that perhaps there would be extra funds forthcoming for this purpose.

I myself, Mr. Speaker, have written quite a few letters to the Minister of Finance (Mr. Abbott) on various subjects, each suggesting that perhaps a little more money could be spent on this or that, and it was like trying to get blood out of a stone. But at least we did get a little blood out of the stone in this particular respect.

Seriously speaking, though, I believe this is one of the most important matters to come before the house and before our whole generation. In connection with my own duties as a newspaper writer over the past few years I have had the great privilege and responsibility of travelling a good deal in many of the countries with which these technical assistance grants are chiefly concerned, namely those countries along the northern shores of Africa, that part of the world we call the Middle East, and out into Pakistan, India, Ceylon, and so on.

I came home from these trips, Mr. Speaker, convinced that we are living at a great turning point in history, and at the end of that three or four hundred year period of history which we know as the age of the white man's rule; although why anyone should refer to us, dirty greys or pale pinks, as whites I have never been able to figure out. However, the historical age of the white man's domination has come to an end. Those particular circumstances which existed for three or four hundred years, and under which the part of the human race which we represent happened to have a supremacy over the rest of the human family, which it never had before and will never have again, have gone. The great and fundamental question of our time is how the transition is going to be made from the age of white man's supremacy to the age of partnership and equality between all the great racial sections of the human family.

There was one minor point, perhaps of emphasis, which the hon. member for Vancouver-Kingsway made and with which I would slightly disagree, to this extent, that we should consider this, as I understood him to say, as part of our national defence.

I believe we have to be very careful when we begin to think of technical assistance grants in terms of our national defence. In my opinion, in countries such as India there is one thing they are afraid of more than anything else, and that is that organized benevolence from western countries is tied up with some ulterior purpose such as defence. I believe one of the terribly unfortunate consequences, for example, of the attempt to establish American bases in Pakistan and its repercussion in India arose more from that simple fact, because the nations of Asia are fearful that there may be ulterior motives in these great humanitarian purposes.

As I said, Mr. Speaker, when I came home from these crucial parts of the world I came home with the belief that we are at a great turning point in history. In countries such as, say, Egypt, or the Arab states, or any of these Moslem countries—what might be called the whole brown belt of the earth—you see these depressed and ignorant people just pushing up as it were through a thin shell, and one can see that they are determined to have a larger share of the good things of life. Surely we have a great opportunity to give them that in a new guise. As far as I could see, nothing in that part of the world has so changed the opinion of the peoples of those countries and helped to dissipate their suspicions. I would say that the greatest contribution there has ever been to a better understanding between Asia and the west is our own Colombo plan, and I would certainly hope that either in this debate or on an early occasion the Minister of Fisheries (Mr. Sinclair) would report on his inspection of the Colombo plan projects, because I have heard him speak on it and it is one of the

finest speeches I have heard, so far as a firsthand account of what the Colombo plan means is concerned.

I think, however, there is a very real point implied in the suggestion of the hon. member for Vancouver-Kingsway (Mr. MacInnis), that we should be extremely careful not to suggest to the people of these backward or so-called underdeveloped countries that we are holding out a helping hand to them only to keep them alive long enough so that they may be able to fight on our side in some future war with Soviet Russia. I think there is a very real and vital purpose involved and that we have a very real basis of self-interest in making sure that these great undecided countries of that crucial part of the world do receive effective assistance from the West in time.

I travelled through many of the countries that our Prime Minister (Mr. St. Laurent) is going to visit, and I came home from the East convinced that the peoples of these undecided countries in Africa, the Middle East and South Asia are not so ignorant that they do not realize the situation. All of them are looking to the two greatest and most populous nations of the East. The most populous nation, and potentially the greatest nation on earth, is of course China, which has gone communist. The second most populous country in the world is India, which is trying to adapt western democracy to that Asian soil. To my mind the most heartening and gigantic landmark of that area, of such great promise for the future of democracy, lies in the fact that that country, which had never known any democracy and where only a tiny fraction of the people know how to read and write, could stage its great national election and render a verdict with just as much intelligence and orderliness as has ever been rendered in our own mature democracies of the West.

That is a lesson to us. But make no mistake that all of the undecided peoples of the earth in Africa, the Middle East and South Asia are looking to the two great nations of the East. One of those nations has gone communist. One of them is trying to adapt our western form of democracy and make it survive and thrive in that Asian soil. Make no mistake, Mr. Speaker. If what is called totalitarianism, with all its suppression of freedoms and the brutal shortcuts that it takes, can deliver for the great mass of these people a better standard of living than is provided over a period of years in India, which is trying to use our western techniques and our voluntary system, then regardless of anything we say here or that is said anywhere else it is my opinion that the balance of world power is not going to fall on the side of democracy but on the side of totalitarian communism. In my opinion that would be a tragedy not only for the great undecided parts of the earth but for us.

I am heartily in accord with all the technical and similar assistance that we can promote. Finally, I would interpret the term "technical assistance" in the widest possible manner. If I were in a position of any power I would not only be sending out engineers to build big water power dams and so on, but even to both sides of the iron curtain I would be sending those who for example practise the art practised by Barbara Ann Scott in order to demonstrate to these people some of the arts, sciences and amenities of our western world. In other words, I would interpret the term in the widest possible sense in order to send to all corners of the world, but primarily to our own potential friends, all of the good things from this western land with which we can help them.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I too rise to give my wholehearted support to the resolution in the name of the hon. member for Vancouver-Kingsway (Mr. MacInnis). I do so because of the experience I had when with the Canadian delegation to the United Nations in New York last fall. I was struck by the fact that the most successful of all works carried out by the United Nations were in the social field, and more particularly in the field of aid to underdeveloped countries. As we all know, the United Nations does not legislate. It simply recommends, and it is only to the extent to which the member countries will cooperate that the work of the United Nations can be successful.

I found that in the field of assistance to underdeveloped countries the United Nations was accomplishing something concrete, that there was something going out of the United Nations which carried weight. On the other hand, I am afraid that many other branches of the work of the United Nations are not nearly as successful. So far as aid to underdeveloped countries is concerned, I think the most important field is that of technical assistance. As often as I could I attended the meetings of the committee which was dealing with this matter. I was there when all the countries were making their pledges, and I thought that the technical assistance organization was making a marvellous contribution towards the welfare of the world as a whole. I am glad to say that I am not the only one who holds that opinion. In the booklet,

"Canada and the United Nations 1952-53", published by the Department of External Affairs, I find the following on page 30:

> The most notable achievement of the United Nations in this field—

The reference is to the social field.

> —has been in the provision of technical experts, training and demonstration equipment to the underdeveloped countries.

I might give a few more figures from this report in addition to those already given by the hon. member for Vancouver-Kingsway. I continue:

> In 1950 the expanded program of technical assistance was undertaken, to finance which 55 countries pledged the equivalent of $20,070,260 for an eighteen-month period ending December 31, 1951.
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> For the second period of twelve months $18,795,355 was pledged by 65 countries, and for the third period (1953) 67 governments pledged $21,278,575. Canadian contributions for each of these periods were $772,727, $750,000, and $800,000 respectively. Within the framework of the Colombo plan, Canada has also made available $400,000 each year over the past three years for technical assistance to south and southeast Asia.

I will be the first, Mr. Speaker, to say that the Canadian contribution to the United Nations for technical assistance and to the Colombo plan is to be commended. I am of the opinion, however, that it is not enough. If we look at the populations of the various countries, perhaps we can say we are doing a good job. We must consider more than the population and the size of the countries, however; we must consider the capabilities and natural wealth of the countries. If we take that into consideration, Canada is one of the wealthiest countries, and has probably about the highest potential of any country in the world. These facts have to be considered when we think about the amount of the contribution we must make to the various international organizations.

As hon. members know, the various countries, many of them not United Nations countries, gather together and pledge so much money towards the work of the technical assistance organization. This money is then spent in sending specialists, scientists and technicians into the various needy countries to discuss production problems and difficulties. I might say that these problems relate not only to production, or any one field of production, but cover communications, highway projects and so on. I feel that this is extremely important in that it does not give direct relief to these countries. It does make them more self-sufficient by giving them the knowledge to extend their own production and make them more and more self-sufficient. It gives them a greater feeling of national pride and a greater incentive to go ahead on their own.

We have found that the greatest hardships occur, as we would expect, in the most densely populated countries. Almost invariably these countries are backward in their production methods. This fact, coupled with the dense population, makes it practically impossible for them to maintain any worthwhile standard of living. We want to assist them to increase their production to the point where they can at least give the people within the country something to eat. We are making a great success of that.

There is one point, however, about which possibly the minister might make some sort of recommendation. I know that during 1953 many of the countries made pledges but contributed not one cent towards the fund. I do not know how many years that has occurred, but I can recall at least two or three countries which did not fulfil their pledge. I shall not name them in this house. This situation adds considerable weight to the burden on the shoulders of those countries that are living up to their pledges. I do not know whether the minister can give us any indication of how much of the money or assistance goes behind the iron or bamboo curtains. I am a little bit concerned about that.

I do not want the people of the communist-dominated countries to have too poor a standard of living, nor do I want them to be refused any assistance. The very terms of the Russian pledge make me ask this question. When the Russian delegate made his pledge, I think it was $2 million for the coming year, he attached a condition that this money was not to pass through the hands of the organization but was to be spent within the communist countries. In other words, the Russian pledge amounted to no pledge at all. The Russians agreed to give assistance to their own communist people, but no aid whatever to any other country. I believe the conditions attached to that pledge are a good indication of the Russian attitude throughout the United Nations. During the time I was at the United Nations I could not find any indication of a co-operative spirit on the part of Russia or its satellites. In every committee and in the general assembly, their speeches followed exactly the same lines. The Russian delegate made a speech and the satellites followed one after the other making practically the same speech.

As a matter of fact, Mr. Speaker, I was told, somewhat in jest, that when anything comes up in the United Nations to be discussed

either in committee or before the general assembly, the Russian research people are told to write six speeches on that particular subject. Then, the Russian delegate chooses the best one and hands out the rest of them to the satellite delegates. I do not know how much truth there is in that. As I said a moment ago, it is not only Canada's contribution that is insufficient, but the total contribution to the technical assistance organization is insufficient. I find that the Secretary General of the United Nations agrees with me wholeheartedly.

In his annual report on the work of the United Nations from July, 1952, to the end of June, 1953, he says on page 95:

> It may be that in comparative terms, the program—

That is the technical assistance program.

> —is a modest one. It may be that the total amount of assistance it has been able to render is, in relation to the needs of the underdeveloped countries, pitiably small. But whatever its scale, it is now a co-operative venture that has great appeal and motive power . . .

The indication is that the amount of assistance given under the program is pitiably small when compared to the need throughout the world. I would urge that Canada, with the wealth we have, lead the way in getting the contributing countries to build up their contributions in order to give these underdeveloped countries at least a small amount of security, and thus enable them to avoid falling into communist slavery.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I am grateful for the opportunity to take part in the discussion of this resolution; and I am also grateful, as I am sure the house is, to the hon. member for Vancouver-Kingsway (Mr. MacInnis) for making that possible.

After all, this resolution deals with a subject the long-range importance of which may well be very great indeed for international co-operation, and indeed for international peace. Because, though history does not prove that a nation consisting of people with full stomachs is necessarily a peaceful nation, certainly history does prove that a nation consisting of people with empty stomachs will be a troublesome one.

This purpose of United Nations technical assistance is to improve material conditions in what, sometimes a little glibly, we call the underdeveloped countries of the world. I always like to use the expression "materially underdeveloped" when referring to these countries because, in some ways, they are quite as highly developed as we are.

I agree wholeheartedly with the thoughtful and constructive speeches which have been made by those who have spoken in the debate, especially in the importance that has been attached by the speakers to the problems and possibilities presented to us, in the western world—that west which, as Professor Toynbee has reminded us, is now surrounded by the world. These problems are particularly affected by the emerging importance of Asia into the new world of industry, and of technique, of the atom and the jet.

At the United Nations we are often reminded by Asian and African speakers that Asia and Africa are on the march, and that they will not be stopped. That of course is true; and there is no reason why we should want to stop them. But we should of course do our best to assist that march toward peaceful co-operation and free progress. And the kind of work referred to in the resolution is one way in which we can help direct that march in the right direction. That is why the subject is such an important one.

In its terms, the resolution is restricted to the United Nations technical assistance organization, and suggests that the government—

> —should consider the advisability of introducing legislation at this session to substantially increase Canada's contribution to the United Nations technical assistance organization fund.

I do not myself mind the split infinitive particularly.

I would hope, in view of what I will be able to say about our contribution to that work, that it may not be necessary to divide the house on a matter concerning which I think there is such substantial and, indeed, unanimous agreement.

In the first place, we must make clear the distinction between relief, economic development, and technical assistance itself. So far as relief is concerned—and that is not mentioned in this resolution—the United Nations of course is doing important work in this field, especially at the present time in Korea, where Canada has I think played a respectable part.

Then, also, if you like, under that broad category of relief you might consider our contribution to the UN children's fund. We have also made a worth-while contribution to that.

Then there is economic development, which of course is something beyond and apart from technical assistance, and which consists of making loans through international agencies, or through a national agency, and making available credits and investment funds to other countries to help them in their capital and economic development.

The first international agency which comes to mind in that field of course is the international bank. Canada has made available to the international bank, for purposes I have just indicated—lending and re-lending—the whole of her original dollar subscription to the bank's capital, amounting to some $58 million. That is the largest subscription for this purpose of any member of the bank, except the United States. Up to this point the bank itself has advanced by way of loans and credits somewhat over $1,700 million. So something is being done through international agencies in that field.

Then there is technical assistance proper, which is the subject of the resolution before us. There are of course two kinds of technical assistance. There is technical assistance which is worked out bilaterally between the contributing government and the receiving government. There comes to mind in this connection the United States point four program, and our own commonwealth Colombo plan under which contributing governments work out plans bilaterally with the receiving government. I am sure my colleague the Minister of Fisheries (Mr. Sinclair) will be able to give information on this. I believe this plan is now working very satisfactorily.

Canada has contributed in the first three years of the Colombo plan something over $75 million for capital assistance and over $1 million for technical assistance. And this year the government will ask parliament to vote $25,400,000—I believe that is the amount tentatively agreed upon—of which a portion will be for technical assistance proper.

Then there are the multilateral schemes for technical assistance, one of which is referred to in the resolution before us. United Nations schemes for technical assistance can, in their turn, be divided first into the ordinary United Nations program, which comes out of the annual budget of the United Nations, and the budgets of the various specialized agencies, through which Canada has already made a pretty respectable contribution in terms of money and in terms of men. And second, there is the scheme which I think the author of the resolution has particularly in mind, that known as the United Nations expanded program for technical assistance.

That program, and the other United Nations program, is carefully organized and controlled by various international bodies. There is, first, the technical assistance committee, under the economic and social council, which represents the 18 governments on the council. It has a sort of general supervisory jurisdiction over all United Nations schemes of this kind. And then there is the technical assistance administration, the administrating body of the secretariat, which looks after particular schemes, and which now is presided over by a distinguished Canadian, Dr. Keenleyside, who has served in our external affairs service. And, finally, there is the technical assistance board, which includes representatives of the various specialized agencies, and which meets periodically to co-ordinate the work done by these various agencies and by outside agencies in order to keep overlapping and duplication to a minimum.

That is a very important function; because, as hon. members know, it is very easy in schemes of this kind, especially internationally organized and administered schemes, to duplicate and to overlap. It is very important that the various programs should be balanced, that they should be co-ordinated under wise central direction, and that business judgment should be used to the maximum extent possible in their implementation.

One thing of course that has to be determined by the supervising agencies—and this is also of importance—is the absorptive capacity of a country for technical assistance or for economic aid, so that money will not be poured into a country that cannot be productively used for particular projects, and that the applications of the various governments for help and for funds are carefully scrutinized. As Professor Frank Scott of Montreal, who was concerned with a particular technical assistance program of the United Nations in Burma, has reminded us in a pamphlet "World War Against Poverty", published by the Royal Society of Canada, it is customary for governments, being human, to ask for more than they can usefully spend in a limited time. All these things have to be considered before work can start, or else the work will not be done as effectively as it should be.

Now it is true, and it has been pointed out by previous speakers, that while this may be one of the most important aspects of United Nations work, it is not a phase of that work which gets very much publicity or very many headlines, and that is unfortunate. Too often do we interpret the United Nations in terms of political controversy and not in terms of constructive social and economic activity. It is true and it is too bad that conflicts and controversy are their own publicity agents, but very constructive, quiet social and economic work has no one to sing its praise. Those of us who have been at the United Nations know from experience that if there is a speech by Mr. Vishinsky, which is bound to be controversial, or if there is a discussion of the admission of communist China to the United Nations, the galleries will be filled, the delegates' seats will be filled, the television cameras will all be running and the

headlines will appear the next day in bold form. But a meeting which may have been held in a committee room in the same building to discuss how to increase food production or eradicate malaria in some Asian or African country will not, I fear, get very much attention or very much publicity. Nonetheless this is important work and we should, I think, be proud to make our contribution to it, as we in this country are doing.

This kind of international technical assistance work and economic aid suffers from two weaknesses, or at least it gets opposition from two sides. There are those who are cynical about it, who are un-co-operative, who do not believe in throwing our money around in foreign countries for what they would call international charity—though it is not charity—and who react in the wrong way to schemes of this kind, the advantage of which is very often long-range rather than immediate. But this work sometimes suffers also from a surfeit of sentimentality and a shortage of practicality on the part of those who would pour funds into projects which would do no good to the people whom they are meant to assist, and might under certain circumstances even do them harm.

There is a danger in this field of attempting to do too much in the wrong way, as has been pointed out by the hon. member for Victoria, British Columbia (Mr. Fairey); to do it our way because it is our way, not because it is necessarily the right way. Those dangers have been emphasized in a very useful and interesting publication which has been printed under the auspices of UNESCO and edited by Dr. Margaret Mead of New York, called "Cultural Patterns and Technical Change". She has this to say about the wrong approach to technical assistance:

> To introduce change effectively, it is necessary to know existing conditions. Where it involves implementation by people, it must first be accepted. Otherwise the new proposals, however simple, will be defeated. When pest control is imperative, people will nevertheless release the rats from their traps. Where immunization of cattle is necessary farmers will hide their cattle. And where land reform is introduced without accompanying measures for a reform credit system, the land will again be concentrated in the hands of a few within a few years. And since change is proposed in the interests of human welfare, it is important to see to it that it is introduced constructively or, at any rate, with a minimum of disruption and destruction of established inter-relationships and values. Basic attitudes, concepts, and values are, therefore, here considered.

Then she quotes some very interesting examples of what follows when these right principles are not applied to technical assistance and aid. I again read from her publication:

> In Burma, deep ploughing introduced by European agricultural experts broke up the hard pan that held the water in the rice fields. The weeding of rubber plantations reduced the sap. The new tomato, which the Burmese were persuaded to grow (by technical assistance experts) because it was more productive, had a flavour they did not like, (and they would not eat it). In Turkey, experts trained abroad persuaded some of the younger peasants to remove the stones from their tilled land; when the grain sprouted, the fields of the old men had a better crop, since, in that dry climate, the stones served the function of preserving moisture. In Greece, the wheat in fertilized fields did not resist the drought as well as the wheat in other fields, and the experts realized that earlier-ripening varieties should be planted if the fields were to be fertilized. Mistakes of this sort are acceptable to people who are willing to take the risk of trying the new; but they shake the faith of those who believe in tried and proven procedure alone.

Therefore, as we all agree, it is not only necessary to have the resources to do this work; it is necessary that the work should be done in the right way and on the right principles. In that connection the principles that should underlie technical assistance work were very well and impressively outlined the other day in Washington by the director of the foreign operations administration of the United States, Mr. Harold E. Stassen, when he said—and this has also been emphasized by speakers in this debate—we should not consider this activity as a form of handout or charity. Mr. Stassen said:

> Technical assistance is not a "give-away" program. To conduct it as such would be the quickest way to destroy it. Projects undertaken should therefore be co-operative in nature and every single program and project must be based on a careful study of local needs, local conditions, local resources available and desires of the host governments.
>
> The aim of such programs is not to subsidize, not to bolster weak spots, but to lay foundations for self-improvement through work on the elimination of debilitating diseases and the control of conditions endangering health and life; through dissemination of knowledge regarding better farm methods; through the improvement of education; through providing technical advice on matters of transportation to enable people to bring the product of their toil to market, and to break the insulation of mind and body in which so many still live.

When these right principles are applied to practical projects the experience of the United Nations already—and it is a short experience—shows that some astonishingly productive results can be achieved from small expenditures and very small changes.

A year or two ago the United Nations sent a technical assistance mission to Afghanistan. In that mission were technical experts from 14 countries covering an extensive range of

skills. They were sent to help the Afghan people move toward economic and social betterment. The mission included a public administrator from France, a geologist and a nurse from the Netherlands, a plant entomologist from the United Kingdom, a sericulturalist from China, a Polish statistician, a Danish pediatrician, experts in teacher training and agricultural development from the United States, a public health adviser from India, and a Finnish obstetrician. I suppose obstetrics could be considered a form of technical assistance.

Mr. McCann: Very much so.

Mr. Pearson: One simple and inexpensive change was introduced into Afghanistan by Mr. John Dickenson, a farmer from Arkansas, who obtained great results by introducing the hitherto unheard-of common hoe. Mr. Owen, who is in charge of the UN technical assistance board, reported on this as follows:

> Traditionally the Afghan farmers have broadcast their cotton seed like wheat. But our agricultural expert proved, on his 34 demonstration plots, that if the cotton is planted in rows and if the farmer will use the hoe instead of the heavy mattock, then production will improve. In fact the first demonstration produced a yield two-and-a-half times greater than by the traditional methods, and the government promptly ordered 30,000 hoes, as well as encouraging their manufacture by local blacksmiths. By such very simple, indeed almost primitive, means as these, a small but decisive revolution is being brought about in Afghan production.

In addition to this kind of technical help, as has been pointed out already today, these people need sympathy, understanding and a knowledge of their local customs. In some respects that kind of approach and that kind of understanding are just as important as material support. Having said that, I should add that material support must follow sympathy and understanding or they cannot be effectively used. Perhaps for a moment we might look at what has been contributed by the United Nations in the way of material support.

I know that the amount has been put on the record already, and I know also that it is small indeed in terms of the astronomical figure devoted to armaments. It is also small indeed in terms of the need and necessity of these people, but it is not quite so small in terms of the practical results which can be accomplished in the early stages of this new international work. We have already had proof of that in our experience with the Colombo plan. I do not think it is wrong to say that if we had contributed twice as much to the Colombo plan in the first two years we would not have been able to effectively spend that total amount.

Having regard to those circumstances, the record shows that in the first 18 months of the expanded program of technical assistance a total of $20,070,000 was contributed by members of the United Nations. Canada contributed $850,000. In 1952 the total was $19,000,000, and our contribution was $750,000. In 1953 the total amount went up to $22,000,000 while our contribution went up to $800,000. We have been trying to keep what we think is a fair relationship between our contribution and the total amount contributed by the United Nations. While what we contribute should not necessarily be determined by what others contribute, nevertheless that is a factor which has to be taken into consideration, even if it is not the overriding consideration.

In the current year 1954, according to the latest information which we have been able to secure, and it is as of yesterday, 70 countries, partly as the result of an intensive campaign which has been put on in New York, have pledged themselves to contribute to the technical assistance fund. The amount firmly pledged is something over $24 million.

The hon. member for Wetaskiwin (Mr. Thomas) has asked whether we could not do something ourselves to ensure that these pledges are converted into payments. We have through our delegation to the United Nations played a very active part in trying to have the pledges increased. In fact in 1952 my colleague the Minister of Northern Development and National Resources (Mr. Lesage) was the chairman of the pledging committee. We also played a most active part in the pledging committee last autumn. We did what we could to get the amount up, and as an earnest of our endeavour in that regard we indicated through our representative to the United Nations, Senator McKeen, that we would increase our amount this year from $800,000 to $1,500,000. That is, we would ask parliament to increase the amount provided the support from other contributors warranted such an amount, and provided the total amount pledged was such as to keep the program at an economically sound level.

We made that offer last autumn, which represented a considerable proportionate increase, and I think it had something to do with the other countries increasing their amounts. At least I hope it had. As a result there has been pledged already this year some $24 million. It seems clear that the conditions which we have laid down in regard to the increase in our contribution are to be fulfilled, and therefore it will be the intention of the government when that is confirmed to

include an amount of $700,000 in the supplementary estimates to bring our total contribution to this program up to $1,500,000.

The hon. member for Wetaskiwin asked in his speech whether I could give any information as to the expenditures from this fund behind the iron and bamboo curtains. So far as I know, and I think I have the facts, no United Nations funds contributed to the expanded program of technical assistance have been expended in those countries to which the hon. member referred. Of course they have their own schemes for technical assistance. We do get information, for instance, of Soviet help in the way of technical assistance programs in China, but that is quite apart from the United Nations program.

As was indicated, last autumn the Soviet representative made a pledge of approximately $1 million to the United Nations scheme for the current year 1953 but, as pointed out, that pledge was hedged around with certain conditions which were not satisfactory to the United Nations technical assistance administration because they violated the principles which govern technical assistance and which were laid down by the economic and social council. However, that matter is being taken up with the Soviet government by the United Nations officials in charge of this activity, and it is hoped that those conditions will be withdrawn so that this amount can be used in the way in which it should be used, without strings attached.

The Canadian contribution to technical assistance has been exceeded only by that of the United Kingdom, the United States and France in the past. If parliament votes the amount which probably will be requested this year in the main and supplementary estimates, Canada's contribution will be the third largest of the members of the United Nations. I do not think that is anything we should say boastfully, but it does at least show we are playing a respectable part in this very important effort.

We are also playing a part not only in the contribution of funds but in the contribution of experts through the United Nations. In Canada today there are 217 United Nations technical assistance trainees out of a total of 300; the rest of them come under the Colombo plan program. And there are 96 Canadian experts now serving abroad in the United Nations.

Under the Colombo plan program it has been difficult to find as many qualified people as we have been asked to provide and as we would have liked to provide because experts of the kind required are in great demand in this country. Some of them have had to make considerable sacrifices to take part in this important UN work. The training of experts, in the last analysis, is just about as important as supplying capital assistance, because eventually this kind of work has to be done by these people in their own countries. When we can get them to come here and learn our technical methods and send them back to do the work themselves, that is the kind of help that really matters.

In conclusion, Mr. Speaker, I would like to express my agreement with the spirit and indeed the content of this resolution, and to emphasize that we are doing something to carry out the advice contained in it. I also express the hope that it will commend itself to all hon. members in this house because, as has been said more than once, the war on want and backwardness, on deprivation and distress, is a road to peace.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I would like to make a few brief comments on this matter. It is, of course, terribly difficult to really arouse much interest in this chamber in matters on which we all agree. I do not know whether it is because we have a lurking suspicion that when we agree with those we have found to be wrong so often we ourselves must be wrong in agreeing; but whatever the reason, it is always difficult to arouse the kind of interest there should be.

Speaking seriously, I suppose it is obvious that when we do agree on something we have a fair chance of being right. I feel it is a pity that we get so used to living in a world of tension, a dangerous world that we inevitably have to take in our stride. In discussing a matter such as this this afternoon we are really facing a fact that we are in a world where there is a battle going on for men's minds. That sounds easy to say, but it does not really carry much conviction with anyone because we have heard it so often. But it is very true that as well as the material defences of NATO on which we spend so much and from which we hope for so much this battle for men's minds is going on and that in the long run the success or failure of our civilization is going to depend on who wins this battle.

If we look back even a few decades to our relationship with the rest of the world, or at any rate the Asian world which is now coming to bulk so enormously in international affairs, we realize that our contact with these nations was almost wholly through soldiers and missionaries. The next contact, I think it will be agreed, was through physicians. The missionaries began

to find they really had to have a medical training in order to do their best work. Finally we begain to realize that the whole relationship had a material aspect, and that the have-not nations were not going to go on forever quite content to be infinitely worse off than the rest of us.

In the last few years this attitude of acquiescence, which I imagine used to amaze us because it lasted so long, has largely disappeared. I think the Prime Minister (Mr. St. Laurent) was wise in the remark he made when he left Ottawa, when he described his visit to those countries in Asia which used to be just a romantic concept over the horizon. The Prime Minister said, among other things, "We will not get anywhere unless we treat them as equals".

I want to refer for just a moment to what I might call our legalistic relationship with the nations of Asia by reason of a covenant in the United Nations charter to which we are a party. I want to read articles 55 and 56. They are quite short. Article 55 reads as follows:

> With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:
>
> a. higher standards of living, full employment, and conditions of economic and social progress and development;
>
> b. solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and
>
> c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

And article 56 contains this sentence:

> All members pledge themselves to take joint and separate action in cooperation with the organization for the achievement of the purposes set forth in article 55.

We have formally assumed these obligations, or the government has assumed them on behalf of our country. We have all approved them, and however much we may be inclined from time to time to forget them, they are there, they are staring us in the face, and I suggest that if we neglect them we shall do so at our peril.

I would like to read a few paragraphs from a pamphlet I have here entitled "Stories of Technical Assistance". The paragraph I wish to read was written by Mr. David Owen, executive chairman, technical assistance board. Then I would like to read some rather astonishing figures bringing to your attention the situation of a country which has not been favoured as has our own, because the contrast is so dramatic.

First of all, from page 1 of "Stories of Technical Assistance" by Mr. Owen:

> At the beginning of 1952, I made a journey that could only have been made in this century. It was a long journey, about 8,000 air miles, from Geneva to Indonesia and back. But it was also an absurdly short journey, for I visited Lebanon, India, Ceylon, Burma and Thailand, and yet had returned to Geneva about 30 days after I set out. This in itself would have bewildered the imagination of a Marco Polo. But what is more revealing is that few people today would feel anything surprising about such a journey. Marco Polo's wanderings through Asia amazed his contemporaries to the point of incredulity, and they had an important influence on firing the zest of renaissance man for venturing to the corners of the world. My own journey, as a feat of transportation, amazes no one, but what amazed me and ought surely to amaze others is the disparity between the kinds of development for which mankind is responsible. For though I, as a 20th century man, was travelling about Asia at a speed inconceivable to Marco Polo, I was looking at a world in which many of the human skills and social customs that he described 700 years ago have barely changed at all. To a remarkable degree we were visiting the same human landscape.

Having said that I want to quote a word from page 39 of this same pamphlet in regard to Libya, which we heard so much about recently. I wish to draw attention particularly to the extraordinarily low economic condition of that country. At the beginning of the Christian era that country was one of the granaries of the world, but it has been allowed to deteriorate. Although governmental services are on a very modest level, it is very doubtful whether Libya can keep up even its present standards. The pamphlet goes on to say:

> Thus the Libyan economy cannot maintain even the present low standard of living, which averages in income per capita not much more than $30 a year.

I mention that to try to underline in our own minds the almost tragic contrast we find. If we are going to win this battle for men's minds it is perfectly obvious that we have to take a long view, and that we have to render assistance.

I am not going into the details. The minister has given us a good deal of information in that regard. All I wish to do is express my own view that this is a matter which we should all be regarding as of absolutely primary importance to us all, and that we should take a long and broad view. If we are to win it must be in the long run by convincing the nations of Asia that, as the Prime Minister (Mr. St. Laurent) said, we are treating them as equals.

In that connection I should like to close these few remarks by reading briefly from the communique issued at the close of the conference in Australia the other day. Hon. members will recall that in the Colombo plan we

in the commonwealth have been showing our recognition of the need of assisting nations in the commonwealth who have been less favoured than some of the rest of us, and I wish to read part of the concluding words of the communique, which indeed seemed to me one of the most happily expressed and impressive political documents that I have read for some time. After speaking of the commonwealth and the relations of the various parts to each other, the communique goes on to say:

> Our congress, however, does not end there. We are not a commonwealth of nations arrayed against the rest of the world. We are for the world. The free world is built upon freedom. Freedom is built upon strength.

Here is the concluding portion:

> We even venture to look forward to the day when the developed wealth of our own nations will serve all others; when trade and prosperity will know no inhuman barriers; when the raising of living standards will be the common endeavour of all; and when the friendly brotherhood which we have experienced in this conference will have become the common lot of mankind.

We should remind ourselves that in signing the United Nations charter we have pledged ourselves to a course of action exactly as described, and happily described in my opinion, in these words which I have read. For that reason it seems to me that, following the course of reason and common sense, we should be ready to go along with technical assistance which after all, if it is wisely and co-operatively done, can do perhaps as much toward the winning of the battle for men's minds as any other kind of action we can take.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I am very glad to have the opportunity of speaking in support of this resolution because I am convinced that its importance cannot be overemphasized. I am sure also we can all agree that the problem of hunger in the world is the greatest problem we have to face in this day and age. I have maintained, and still maintain, that in the last ten years it has been proved beyond any question in Canada and the United States that we are able to solve the problem of hunger. I am not going to speak about our record in Canada since, because of our small population, it is not at all relative, but I am going to use the United States as an example to prove my contention that we have solved the problem of hunger.

We are not sure just how much we can produce because we have never really tried. I sometimes think we have more agricultural land in Canada going to waste in fence corners and fence rows than is under cultivation in the whole island of Britain. As I say, we have proved beyond doubt that we have found a solution to poverty, and because we have been able to do this for ourselves we should pass on to underdeveloped areas in the world the technical advances and technical knowledge that we have brought into play to do the things that we have been able to do.

We realize what the problem is, and we know that we have a solution for it. But I think this is important. Although we know what the problem is and what the solution is, I am convinced that we have not yet reached the stage where we realize that we need to solve the problem. I do not really think the western world feels that there is as yet a need to solve the problem of poverty. A little later I shall quote from a statement that would seem to substantiate the remarks I have just made.

As yet we refuse to believe that we are living in one world. If I may use a slang expression with your indulgence, Mr. Speaker, how long is it going to be before we smarten up to the fact that we are living in one world, a very small world, and that what happens in any one part of it is immediately reflected in every other part? We must accept our responsibility to hungry people in underdeveloped areas of the world if we ourselves are to survive.

I think I can say without any worry about being challenged that foremost in the minds of men and women throughout the world today is the fear of a third world war, a war of extermination which will engulf all peoples in all lands. I believe that fear is real. We in this group at any rate believe that there is an alternative to war. We believe that we do have a choice. By accepting our responsibility and putting into effect the terms of the resolution we are now discussing, furnishing economic aid to underdeveloped areas of the world and providing them with the knowledge and assistance they need to produce food for themselves as we have been able to produce, we will be moving in the direction of peace. Certainly we will not move in that direction unless we are first of all prepared to assume a renewed conscious and moral responsibility to the underprivileged people of the world. We would do well to remember the words of Bertrand Russell when he said:

> We must banish certain ideas and substitute others. For love of domination we must substitute equality. For love of victory, we must substitute justice. For love of brutality, we must substitute intelligence. For love of competition, we must substitute co-operation.

I mentioned that we could help solve the problem of hunger because we have done it here at home. According to the food and

agriculture organization of the United Nations, during the last ten years United States food production has increased by 25 per cent, while the population has increased 12 per cent. This is a startling fact that I think will surprise hon. members as it surprised me. In those 10 years the United States increased food production by twice the amount the population increased. During those 10 years the population in the United States increased faster than the population of India in the corresponding period. I feel that is significant.

It is not what we do on the land, Mr. Speaker, that in a large measure is responsible for this great production we have seen in the last 10 years; it is what we do to the land. Our food production increases have been possible because of technical advances in connection with fertilizer, crop rotation, contour farming, drainage, insecticides and soil conservation, to name only a few. These things, rather than the advancement in machinery or long hours tilling the soil, are responsible for the phenomenal increases which I have just mentioned. It is our duty to pass along this technical knowledge, in so far as we can, to the backward countries throughout the world.

I should like to quote from memory what Paul French, who is general manager of CARE, had to say when he returned to the United States after visiting 60 countries. Speaking of the inroads that communism and dictatorship have made and are making throughout the world, he said, "We are losing the race because of poverty. These people are being subjected to such economic injustices they are easy prey to dictatorships, whether of the communist variety or of the fascist variety". It is important that we should never lose sight of the fact that today the world is too small for the extremes of poverty and prosperity to live side by side, if we are to survive.

There are many people who say, why all the emphasis on food when there are other values that must be taken into consideration? I agree that there are other values, but I believe that Sir John Boyd Orr stated the problem in its true light when he mentioned that people who are hungry are more interested in four loaves of bread than they are in Roosevelt's four freedoms. I believe that is fundamental. As a matter of fact, the first law of nature is self-preservation. In our morning prayers we ask for bread before we ask for the forgiveness of our sins.

According to the FAO, one-third of the people in the world have an income of less than $1 a week; another third have an income of less than $4 per week. In other words, two-thirds of the people of this world manage on less than $120 per year. These conditions will not change if we follow the ideas expressed by Benjamin F. Fairless, president of the United States Steel Corporation, who is reported in the press to have said—and I quote from memory—that rearmament and economic prosperity for the free world can best be maintained through contributions of raw materials from the underdeveloped countries in exchange for needed American materials. In other words, Mr. Speaker, his hope is to keep these people in the underdeveloped areas in their historic role of hewers of wood and drawers of water. Surely our best interests are not served by following such a plan. Surely we can do much better than that.

The money spent in economic aid would be largely self-liquidating, and we would be making friends instead of enemies throughout the world. I will agree that food production has always been an important matter of government concern. Food has always been planned by governments, both here and abroad, in the interests of something or other. Food is planned in the interests of our foreign trade and our foreign investments. It is planned in the interests of the distributor and sometimes it is even planned in the interests of agriculture, as it was in this country some years ago. When I say that food is planned in the interests of agriculture, I mean that we were paid for not growing food. We hope that will not happen again. The results are always the same. These plans are the plans of scarcity. Food has not been planned in the interests of the people. These plans have always resulted in a limitation on food.

I sincerely believe that the only sound basis upon which to build prosperity with peace throughout the world is to support to the limit the principle laid down in the resolution we are discussing. I believe, too, we must agree with Robert Hutchins when he says that civilization is doomed unless the hearts and minds of men can be changed. Unless we can bring about a deep and drastic moral reformation throughout the world in regard to the underdeveloped areas, and unless we are prepared to sacrifice something, we shall have neither peace nor security.

Mr. Maurice Boisvert (Nicolet-Yamaska): The resolution which is before this house today, Mr. Speaker, raises a most important international question, because its aim is to promote technical aid to the underdeveloped countries, through the United Nations, in agriculture, mining, industry and commerce.

Three international bodies are dealing with this problem. The first is the international

bank for reconstruction and development. The second is the Colombo plan, and the third is a body of the United Nations which provides technical assistance to underdeveloped countries. This latter body acts under the economic and social council, one of the most important committees of the United Nations. This committee has jurisdiction over several United Nations agencies concerned with labour, agriculture, scientific and cultural education, health and many other activities.

There is no doubt that civilization is no longer enclosed within one or two continents. It has become world-wide. It is more with technical assistance, maybe, than financial assistance that we will uplift the populations of these countries whose natural resources are bountiful but whose technology and technography are deficient from the state of inertia in which they have been dwelling during many centuries.

Christianity transformed the former civilizations, engendered a new faith, culture, science, and established, step by step, a world which was dominated by the great industrial and commercial powers. This was the distinctive feature of the nineteenth and twentieth centuries. Faith was the basis of Christian relations and a religious mind through its universal character predominated. Culture born out of the teaching of mediaeval philosophers favoured the development of letters, fine arts and scientific research, to which we owe the great inventions and material progress which were the prerogatives of these pioneering countries who conquered immense territories, acquired wealth and domination over large territories whose population realized, surprisingly late, that their future was quite promising.

In the French revolution, and even before, in the teachings of the philosophers who preceded and prepared it, we can see the germs of the rupture between the principles of the spiritual doctrine, and those of purely materialistic and realistic doctrines. Then it seemed that materialism was the victor, at least in the scientific and material domain. While science was endeavouring to find a new truth out of the physical and tangible resources, at the same time countries, deprived of freedom, were endeavouring to overthrow foreign domination. This was done in the name of a new kind of nationalism which was quite natural, but nevertheless revolutionary. Most of the countries which we call underdeveloped wished to free themselves of foreign domination by appealing to this urge of nationalism. The political organizations of those countries range from total dictatorship to the most advanced democracy, which sometimes looks like anarchy.

[Mr. Boisvert.]

We may assert that two-thirds of our world today may be considered as countries which need economic assistance in order to develop their immense resources and raise the morale of their populations. Progress and improvement in the standard of living of these populations, millions of which are nearly starving, constitute a greater international danger than the wars which we have known since the beginning of this century. We hope that finally, if we come to help them, this world will establish a stability and peace and security forever.

The western world dominated humanity by its faith, by its letters, its fine arts, and by its inventions which mastered the forces of nature. This permitted exploitation of mines, the source of industrial power, the development of hydroelectric power, the source of all these inventions which are narrowing more and more the gap in human relations by the use of the telegraph, telephone, radio, television, telecommunication, aircraft, etc.

Tremendous progress, which is ever increasing, was achieved in this field. But it seems to have been restricted to those countries which enjoyed the benefits of Christian civilization.

Our world is not divided any longer according to geographical areas but into two groups of countries, those from which derive material inventions, and those which need the same inventions to rid themselves of the shackles which have held them after centuries of neglect, carelessness and intellectual laziness which breed fatalism.

If I seem to have wandered from the subject matter, it is because I believe that the western powers, to which Canada and the United States belong, are called upon to fulfil a Christian and enlightening part which will change this world and transform it into a new community. Our civilization will survive only if it gives moral and technical assistance to those countries seeking our knowledge and our methods creative of progress.

In support of this opinion I would like to quote the Russian philosopher, Berdyaev, who said:

> The triumph of capitalism has created a total economic system and placed the economic life of each country under the domination of this system. It contributed to bring nations together to the utmost, in the economic domain, and it can be said that it has an inherent original internationalism. On the other hand, socialism soon assumed an international character, and, in the international communism, the old principle of compulsory universalism rises once more, but in a corrupted form. The fallen world of modern history, torn by bloody struggles between nations, classes and individuals, and with a disposition to suspicion and hatred, aims by all means to universalist unification, to victory over this exclusive national

particularism which has led nations to their downfall and disintegration . . . Internationalism is the abject caricature of universalism. But the spirit of universalism must awaken among Christian nations, the will of a free universalism must reveal itself.

And he goes on to say:

Russia has the most universalist spirit among all nations of the world. This quality is part of the very structure of its national spirit. Working towards universal unification, towards the formation of a single spiritual cosmos, this must be the vocation of the Russian people.

Russia occupies a central position among the countries which look to the western world to obtain the necessary assistance for their recovery. Asia has a population of 1,300 million, Europe has 398 million, North and South America have 333 million, the U.S.S.R. has about 200 million, and Africa about 200 million.

From those figures it will be seen that almost half the total population of the world lives in Asia. But it happens that Russia, which belongs to both Europe and Asia, presently dominates economically the whole of Asia. The prestige of the western world will only diminish unless we can convince the Asiatic populations that we have no imperialistic ambitions, no ambitions of conquest or destruction, and that all we expect from the assistance we are willing to give them is a reciprocal exchange of commercial advantages which will integrate them into this concept of universalism, based on common comprehension and co-operation.

Our Prime Minister (Mr. St. Laurent), before leaving for his world tour, said on January 29, as reported at page 1582 of *Hansard*:

Our interest in Asia has also been increased as a result of the desire of our people to assist our Asian friends to improve their social and economic conditions.

Then he went on to say:

Canada, I think, has welcomed the opportunity to share in the encouragement of freedom and economic improvement in Asia because we realize the importance of maintaining good relations between the western world and the hundreds of millions of our fellow men in these ancient nations of Asia.

I feel that we can maintain good relations with them only as long as we treat them on terms of complete equality, with respect for their older and perhaps somewhat less materialistic culture and achievements, and in a spirit of genuine understanding and co-operation. We must deal with them in the realization that while we may seem to have much to give they too have a very important contribution to make to the general welfare of the world.

May I say that what is true for Asia is also true for Africa, Indonesia and also some countries of South America. In the annual report of the secretary general on the work of the United Nations, Mr. Hammarskjold wrote:

Of the multitude of the United Nations programs in the economic and social field in which the government members have joined their efforts for their common benefit, none is more significant or less costly in the building of a better world community than the sharing in what is universally known as technical assistance.

Let us for a few minutes examine what was done by the United Nations in this respect. The economic and social council have set up a board called the technical assistance board. In 1950 an expanded program was made effective. In 1952 a full-time executive chairman of the board was appointed with the duty of supervising the program of technical assistance, and the appraisal of the activities of the participating organizations. A special account was set up, and the earmarking and allocation of funds were to be decided by the chairman after approval of the program by the technical assistance board.

In 1952 the general assembly recommended a contribution of $25 million suggested by the economic and social council. Programs were elaborated for 1953 and for 1954. Those programs are not an easy undertaking on account of the wide range of the meaning of technical assistance. It comprises economic development, industrial development, transport and communications, public finance and fiscal policy, public administration, statistics and population questions, and not the least, social welfare and development.

What were the realizations of the United Nations with respect to those items? First, with regard to the industrial development program, the United Nations have brought help to 23 governments who received advice from experts. Fellowships and scholarships were awarded in a wide range of manufacturing industries, in handicraft industries, industrial planning, in the exploration and exploitation of oil and other mineral resources, and in the field of hydroelectric development.

Second, with regard to transport and communications, a survey group in 1952 and 1953 made a critical appraisal of transportation in many countries. During the year expert advice was given to ten governments.

Third, with regard to public finance and fiscal policy, the governments of six nations received the advice of experts. A team of economic and financial experts visited Iran and Indonesia. Some comprehensive training programs in fiscal matters were developed for the benefit of those countries requesting a considerable number of fellowships and scholarships in fiscal matters.

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Fourth, with regard to public administration, training activities have continued to form the most important element of the program of technical assistance carried out under a resolution adopted by the general assembly. A course of public administration was opened in Rio de Janeiro; a public institute for Turkey and the Middle East was opened in March, 1953; a training course for government accountants began to function in Libya in March, 1953. At the end of the year there were requests from four countries for similar courses. Expert advice was given to six nations.

Fifth, with regard to statistics and population questions, the experts of the United Nations are organizing a uniform method to establish demographic statistics and also to serve on statistical assignments in 16 countries to study general statistical organization or specific subjects such as national income statistics, statistical methodology, economic, financial and fiscal statistics, import and export statistics from census operations.

Sixth, with regard to social welfare and development, the ground covered includes general social welfare questions, policy, administration and training, family, youth and child welfare, community development and social research, rehabilitation of the physically handicapped, housing, town and country planning, social defence. This is a very wide and complicated organization.

I might take one minute to say a few words about one cruel problem which comes within the framework of social welfare. It is the problem of the youth of the world. Children are the heritage of nations. They deserve consideration, and they should be taken care of at every stride of their lives. The life of children in an underdeveloped country is a sad story. There is a need for maternal and child welfare, children's hospitals and wards, school health services, clinics, laboratories, and so on; and what I could say about the need for equipment, drugs and medicines of all kinds is just out of this world.

What I have said is just a sketch of the activities of the United Nations in the field of technical assistance. Let us ask now, where does Canada stand with respect to this problem? The population of Canada is 15 million people today, and the contribution of our country has been within the reach of our possibilities, if we take into consideration our contribution in the Korean war, to the Colombo plan and to the international bank for reconstruction and development. The Canadian government is well aware of the importance of technical assistance, and the Secretary of State for External Affairs is to be commended for his participation in technical assistance to underdeveloped countries. I would like to quote from "Canada and the United Nations, 1951-1952" at page 45:

> One of the most significant developments in international affairs since the second world war has been the emergence of the idea of technical assistance to underdeveloped countries. The technical assistance activities of the United Nations, the United States "Point Four Programme" and the Colombo plan have all grown from the concept that the underdeveloped countries of the world should be helped to help themselves, that they should be able to call on the more economically advanced countries for the technical knowledge and skills which would enable them to make the best use of their own resources.

From this quotation it is evident that Canadian policy is in favour of giving assistance to underdeveloped countries. Now, let us see what was accomplished to implement this policy. The total pledged, as was said by the hon. member for Wetaskiwin (Mr. Thomas), by 52 countries, members of the United Nations, was equivalent to about $20 million for a period of 18 months, ending December, 1951. For the second period of 12 months a sum of about $18 million was pledged by 65 countries; and for the third period, 1953, 67 governments pledged about $21 million.

The Canadian contributions for each of these periods were $772,727, $750,000 and $800,000. I should add to this that within the framework of the Colombo plan, Canada spent $400,000 each year, over the past years, for technical assistance to south and southeast Asia. From 1950 to June 1953, Canada provided training facilities for 177 fellows and scholars under the United Nations program, and 116 under the Colombo plan. During the same period we provided almost 150 experts for United Nations technical assistance projects, and 24 under the Colombo plan.

If we consider that Canada has contributed $25 million in each of the last three fiscal years to the Colombo plan, we must admit that our share is one to be praised by all Canadians. We must also add our subscription to the international bank for reconstruction and development. Canada acquired 3,250 shares representing $325 million. This international bank is also giving technical assistance to the member countries of the organization, and also to countries which are not affiliated with this international bank. This institution is now eight years old, and in 1952 it made available 19 loans to nine countries, representing a sum of nearly $179 million. Since its origin the bank made nearly two billions of dollars of loans and 29 countries benefited. The bank has given

technical assistance to many countries, especially with respect to economic development. That is not all. Canada contributed to the reconstruction of South Korea and to many other projects which could be classified as technical assistance.

I do not think it is necessary to elaborate much more. The facts I have given make it clear that the policy of Canada is in accordance with the one adopted by the United Nations. I am sure that is still the policy of the government, and in my opinion, it is the right one. Of course it would be unfair to our people, at a time when we are building up the defences of our country and establishing an organization to assure peace and security to the whole world, to increase too much our contribution to technical assistance.

We must bear in mind that industrial countries, and Canada is one, provide the biggest share of the money required by the fund to bring technical assistance to underdeveloped nations. Every citizen in Canada is in favour of it. Every citizen is well aware of his duty to people living in the underdeveloped world. Every citizen realizes that such technical assistance is a path to peace, freedom and security. There is only one restriction to our will to give more and that is a restriction which concerns ourselves—our own protection, our own development, our own security.

In conclusion may I say that I hope our prosperity will last forever, and that it will be possible soon to draw larger amounts of money from our taxpayers for these huge populations living in vast areas, which need so much when we are limited to giving so little. Let us then give what is stronger than money, the spiritual spark of an old civilization bound to survive only if we, as free men, are able to show that progress derives more from moral strength than from the bulge of capital investment.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, there used to be a saying in my childhood applied to people of my race who had a habit of talking of themselves: "Here's to ourselves. Who's like us?" As I listened to the speaker who has just taken his seat I realized that that was not entirely a Scottish characteristic. I really must decline his invitation to join in his paeans of praise about Canada's contribution to technical assistance and to the Colombo plan. I must do that because he spoke on behalf of all Canadians who I am quite sure view this with what he considered pardonable pride.

I was pleased to hear the minister of external affairs take part in the debate and also say that he considered this question one of the most important facing the world today. I think that is the only way it can be regarded. We spend a great deal of time in this chamber on matters that seem of world-shaking importance, but I have an idea that when this particular era of history is viewed in perspective the most important question will be, what did the people of North America do with regard to the situation of the vast majority of the human race?

Several reasons for taking this action have been advanced this afternoon. It has been suggested to us that it is an alternative to other and more conventional defence mechanisms. It has been suggested to us that it is a way to promote world peace. I suppose one could suggest also that it might lead to greater economic stability for us at home.

One of the troubles that face us at the present time, in the middle of the twentieth century, is the unfortunate habit we have acquired of dashing about the economic and social scene fastening neat little notices on various features of it which in our innocence we imagine explain the situation that we are labelling. We are told that this would be an excellent way in which to fight communism. It is suggested quite often that the major feature in recent years of the development in Asiatic countries has been their unfortunate tendency to swing toward totalitarian communism.

I am going to suggest that that is altogether too easy a simplification. What is about to take place in those parts of the world is a process which took place in the western world some century and a half or two centuries ago. I refer to the accumulation of capital. In fact that is a fundamental requisite for the development of anything in the nature of a high material level of civilization.

We in North America have certain rather unique responsibilities with regard to other peoples in the world who are now facing this necessity of accumulating capital. There are only two ways in which people can accumulate capital. One is by a desperately hard and bitter exploitation of the people themselves, a process which took place in Great Britain some 250 years ago and continued over a long time during one of the most brutal and bitter periods of British history. It can take the form it took in the Soviet union, which was a savage and bitter exploitation of the mass of the people; or it can take the course it took in North America, which was perhaps the most comfortable form and possibly the most comfortable example in the history of the accumulation of capital.

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Here in North America we were enabled to build up our substantial capital because of the sacrifices and the miseries of the people who had gone before us. We in North America owe a debt to those people in Great Britain who underwent the horrors of the early industrial revolution, and to those who accumulated the first stocks of capital there. We owe a further debt. We owe a debt to those people in the Asiatic countries, with whom we have been dealing here this afternoon, who in the beginning made their heavy contribution to the capital accumulations of Great Britain and western Europe. From each in turn the economies of North America were able to benefit without our people having to go through the grim and bitter period that the peoples in Asiatic countries and Great Britain had to undergo during their periods of capital accumulation.

It would appear, Mr. Speaker, that we have a very heavy moral responsibility to explore every possible avenue of technical aid and assistance to these people. The nature and magnitude of the problem are of course displayed in figures which are released from time to time by the various subsidiary organizations of the United Nations. I believe one of my colleagues here this afternoon pointed out that people in a very large part of the world have incomes of less than $100 per year. That compares with the average per capita income in Canada of $900 per year, and in the United States of $1,450 per year. Fifty-four per cent of the world's population have incomes of less than $100 per year, and the people in Indonesia have an average income of less than $25 per year.

If we look at other figures which have been released by the food and agriculture organization we can perhaps understand why these people have incomes which, expressed in monetary terms, are as meagre as those I have quoted. The food and agriculture organization informs us that in comparison with Canada, where we have a ratio of 800 acres of improved agricultural land per 100 of our population, Indonesia has a ratio of only 35 acres of improved agricultural land per 100 head of population, and in Burma the figure is only 104 acres. That I believe demonstrates as well as is possible the urgency of our problem. It indicates the work that has to be done.

The next question is what is the most effective way of tackling this problem? I was very interested in the suggestion made this afternoon by the Secretary of State for External Affairs (Mr. Pearson) to the effect that there is a limit to the absorptive capacity of these countries as regards capital or technical aid. He is perfectly correct; but on the other hand I should like to quote to the house the remarks of a very distinguished Canadian, Dr. Hugh Keenleyside, director of the United Nations technical assistance program. Dr. Keenleyside, almost precisely a year ago, had this to say in the city of Victoria:

> It is at this point that I believe our present Canadian policy to be gravely inadequate. It seems to me to be unreasonable to devote $100 to direct military defence for every $1 we give to the saving of the underdeveloped areas of the world. Although Canada does more than most countries, her annual contribution to the T.A. programs of the United Nations is about equal to the cost of one bomber. Even adding the amount we are providing under the Colombo plan the total is still just about what we spend on a single destroyer.

That, Mr. Speaker, appears to me to reveal a most shocking lack of sense of proportion. While it is perfectly true, as the Secretary of State for External Affairs suggested, that we cannot hope to solve this problem merely by pouring money in by the bucketful, on the other hand I think we should not put too narrow an interpretation, as the hon. member for Vancouver South (Mr. Philpott) suggested, upon technical assistance. I believe, Mr. Speaker, that if we are going to send someone to these areas to teach an illiterate Indonesian peasant how to read and write, then we should also be prepared to put a pen in his hand and a book on the bench beside him. Otherwise what we have done for him is useless. If we are prepared to teach a primitive agriculturist in India modern methods of agriculture, then we should also be prepared to make that teaching of some value by providing him with modern agricultural machinery.

If we adopt that interpretation of technical assistance, then I believe we will find the absorptive capacity of these people very much greater than some people imagine. In fact, Mr. Speaker, I was disappointed although not surprised when I found that the Secretary of State for External Affairs considered that an important yardstick for our contribution to this scheme should be the relationship of Canada's contribution to that of other nations. For the life of me I cannot see any reason why that should be the yardstick. The yardstick surely can only be the need and our capacity to fill that need.

This attitude on the part of the government—because I presume the minister's colleagues agree with that attitude—seems to me to savour of an all too common Canadian approach to world affairs, an approach which might be boiled down to this, that under no circumstances whatever should Canada take the risk of leading in an approach to world

affairs. Always we shall take the safe course of following the policy of "me-too-ism," giving no more and no less than others.

I suggest, Mr. Speaker, that Canada has the capacity to play a very much more inspiring and effective role in world affairs than it is now tied to by that attitude on the part of the government. In particular, Canada can and should be, in this problem of assistance to underdeveloped areas of the world, playing one of the leading roles in the world; because, while it is true we are not the wealthiest nation in the world, we are I believe per capita the second wealthiest nation in the world. Moreover, we sometimes pride ourselves on combining our material prosperity with a more sophisticated and advanced political philosophy than is to be found in perhaps other and wealthier countries. Here surely is the place where we should be employing that sophisticated political philosophy which tells us that the path to peace, the path to security, is in aiding the people of the underdeveloped countries to emerge into the modern world. I can think of no more inspiring field for young Canadians at this juncture in world history.

A few weeks ago the national film board showed in this building a picture of the work done by the United Nations Organization in precisely these areas. As I looked at that picture this thought occurred to me. While in the past we have tended to dangle before the eyes of young people the rather meretricious prizes of military glory, here we can hold in front of their eyes a really worthwhile prize for national and individual service.

I trust that the Secretary of State for External Affairs (Mr. Pearson) and his cabinet colleagues will be prepared to take a rather sharp look at the $2,000 million we are going to spend on conventional defence measures, and an even sharper look at the million and a half that has been conditionally promised to be spent on technical assistance provided that it does not place Canada in an embarrassingly, conspicuously generous position.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, this resolution would appear to be supported by members in all parts of the house and, of course, for very good reasons. I noted today that the hon. member for Greenwood (Mr. Macdonnell) made reference in his remarks to the fact that the knowledge we have of conditions in the countries of Asia and Europe has been to a great extent brought to us by missionaries and by the boys who were over there during the war. With that I agree. In my opinion our great weakness today in that respect lies in the fact that too few Canadians have firsthand knowledge of conditions in many of these countries, and for a brief period I want to refer to the experience I had in 1948, after having been chosen a delegate to the parliamentary association, of visiting several countries in Europe and, a few days before we came home, of visiting Greece.

In the short time I was in that country I got a full realization of what total war means to a country, particularly in these days of modern warfare. I travelled throughout a great part of the country and gained firsthand knowledge of conditions. We flew up to the Albanian border. At that time the guerrilla warfare was being carried on, and I saw thousands and thousands of Greek people living in American army tents on practically nothing. Thousands of their children had been stolen and taken into the mountains. I began to realize the destruction of warfare, and just what people in countries so devastated had to contend with.

The destruction in Greece in a three and a half year period cost them about 400,000 homes in a country with a population of seven or eight million. This destruction was created by bombing, by explosives of all kinds, by fire and by pillage. Churches, schools, hospitals and all other dwellings were in the same category. There was no distinction at all. There were 1,770 Greek villages which were totally destroyed, and when I say "totally destroyed" it was estimated that they were 90 per cent destroyed.

Their hydraulic developments, which meant so much in the irrigation of the land—and they have very little land to irrigate—were totally destroyed. Their telephone and telegraph cables and long distance communications were completely destroyed. Nearly all the big harbours in that great country were a total loss. When the Germans invaded Greece they came with their planes and bombed and destroyed and created all the disturbance they could. Then after the allied nations invaded the country they had the job of trying to drive the Germans out of Greece, and Greek cities were bombed and destroyed not only by the Germans but also by the allied nations.

The railway rolling stock of the country deteriorated to such an extent that when the country was liberated there was not a single train moving. The bridges were practically all destroyed. The engines and cars had been stolen and taken to Bulgaria and other countries. Their railway stations had been destroyed. The machine shops in which they repaired their rolling stock had been destroyed, and when the war was over the supply of engines and rolling stock was completely nil. There was nothing left.

Prior to the war their merchant marine fleet amounted to 2 million tons, but by the end of the war 75 per cent of the fleet had been destroyed. At the beginning of the war they had 713 sailing vessels and they lost 472, or 66 per cent. The same spirit of destruction affected the big Greek canal which joined the Aegean and Ionian seas. All the carnage of war that could be collected was dumped into the canal, and I am doubtful if it is open even at this date. The canal had been of great benefit to the people. It was practically destroyed, and will take many years to repair.

The forests of the country were also completely destroyed; in fact even the olive trees were burned for fuel. There is no coal in Greece, and it was found necessary to get fuel of some sort. For that reason everything that would make fuel was cut down and destroyed. After the war their forests were completely gone. When we were there in 1948 a few of their olive trees had begun to produce again, but it will be years and years before the production will compare with that of the pre-war period. Livestock was destroyed almost to the same extent. In fact their beasts of burden were completely annihilated. They did not have any kind of animal with which to do their plowing and till the soil.

After three and a half years of German occupation the country was liberated. When we on this continent read about liberation we get the impression that the worries of these people are over, but from my short visit to that grand country I could see that their troubles had just started. Having gone through four years of destruction, it will perhaps be fifty years before the country is restored. If more Canadians had firsthand knowledge of such conditions perhaps our feelings with respect to assistance might be different. We read, but we do not realize what these people have had to contend with. I believe that anything we can do to assist these noble people is a step in the right direction.

I have no idea how far it is possible for us to go, but I for one support the resolution introduced today, knowing that anything we do will be appreciated by the people in these countries, and will be one of the greatest steps we can take in order to bring about that feeling of respect which we hope may some day result in world peace. In my opinion the benefits that may be provided can never be reckoned in dollars and cents, and we must look forward to those benefits. I see that the hon. member for Eglinton (Mr. Fleming) is in his seat. He could give you a further description of the conditions we witnessed nearly five years ago.

[Mr. Stuart (Charlotte).]

Before resuming my seat I want to say again that if it were only possible for more Canadians to see the conditions under which these people are trying to survive, I believe our generosity might be greater.

Mr. F. G. Robertson (Northumberland, Ont.): I welcome this opportunity, Mr. Speaker, of speaking to the resolution proposed by the hon. member for Vancouver-Kingsway (Mr. MacInnis), namely:

> That, in the opinion of this house, the government should consider the advisability of introducing legislation at this session to substantially increase Canada's contribution to the United Nations technical assistance organization fund.

Practically every speaker who has taken part in this debate has indicated his support of the resolution. Personally I believe that our Canadian government has a creditable record in this regard, especially when we recall the amount of money being spent on the Colombo plan as well as the various specialized agencies of the United Nations, all of which involve technical assistance to a very large degree. I believe we can say that we are playing our full part.

We all appreciate, of course, that this is an important feature of United Nations work. In fact we cannot do too much to help the underdeveloped countries of the world. I believe when we see the amount of money being spent, which in itself is not a modest amount, and when we compare it with what is being spent by other countries, then we have no reason to be ashamed of the part Canada is playing.

I listened with much interest to the speeches of all hon. members this afternoon. The speeches delivered by the hon. member for Victoria, B.C. (Mr. Fairey) and the hon. member for Vancouver South (Mr. Philpott) were based largely on their own experience in the underdeveloped countries. The experience of the hon. member for Victoria, B.C., was a result of his work as an official of a technical assistance program in Burma, whereas the experience of the hon. member for Vancouver South resulted from travelling through the underdeveloped countries. I am sure we all felt they made a worth-while contribution to the debate today.

I was particularly interested in the speech made by the Secretary of State for External Affairs (Mr. Pearson). As usual he gave us a very able and comprehensive report. I was particularly impressed by the fact that, in stressing the need of the underdeveloped countries, he made a point of the fact that we should speak of these countries only as being materially underdeveloped. He pointed out that some of these other countries were, in many ways, as well equipped as we are. This fact was underlined for me today

because I had the pleasure of having lunch with a distinguished visitor from one of our sister commonwealth nations, the deputy minister of health for India. I can assure you that he was a man of great charm, culture and high professional training. This certainly brought home to me the wisdom of the minister's remarks.

I listened also to the speech made by the hon. member for Greenwood (Mr. Macdonnell). For a moment I thought he was going to agree that the government was doing a good job. In fact I believe he almost got around to that point, and his characteristic remark that the government is doing the right thing in the wrong way was not made today. I think we can assume this resolution has the wholehearted support of the majority of the members in this house.

I had the pleasure of attending the United Nations as a member of the economic and social council in June, 1952. At that time the Canadian delegation was headed by the present Minister of Northern Affairs and National Resources (Mr. Lesage), who did a very able job in directing the work of that delegation. The present Minister of Fisheries (Mr. Sinclair) was also a member of the delegation, attending in his capacity as assistant to the Minister of Finance. He took part in the discussions concerning the financial arrangements of the United Nations. I was greatly impressed with the work of the other delegates representing the Department of External Affairs and the Department of Finance. I think it is safe to say that the expenditures made by Canada for United Nations purposes are carefully scrutinized by the finance department. We will all agree that is as it should be, for no matter how worthy the objective may be we want to know that any money we spend is being wisely spent. I believe that is one of the characteristics of this government, they make sure that any money they appropriate is well spent.

I am one of those who believe that the United Nations is a worth-while organization and is making a real contribution to the peace of the world. In common with the hon. member representing the Social Credit group who spoke earlier, I believe that the most beneficial results of the United Nations work are in the social and welfare field. However, I am sure he would be one of the first to admit that political and military matters are most difficult to deal with. While in many instances it would appear that we are getting nowhere in military and political matters, I believe the United Nations has also made a real contribution in those fields.

I was very much impressed with the work of such specialized agencies as the world health organization, the food organization, the international bank, UNESCO, and so on. In all these agencies technical assistance plays an important part, and we are spending huge sums of money in offering technical assistance to the underdeveloped countries through these agencies.

I should like to bring to the attention of the house, Mr. Speaker, some of the remarks of the Canadian representative at the eighth session of the United Nations general assembly, parts of which were also quoted by the hon. member for Vancouver-Kingsway. I do not believe these quotations were given; if they were, I believe they are worthy of repetition. I quote from the remarks made by our representative on September 28, 1953, at the eighth session of the United Nations:

> I do not propose, in this general debate on technical assistance, to make a long speech or to go into time-consuming detail. I simply wish to reaffirm my country's belief in and continued support for the technical assistance programs. The concept of mutual aid and enlightened self-help which is the basis of all these programs—that of the United Nations, the Colombo plan sponsored by several countries of the commonwealth, and the United States bilateral arrangements—is one of the most fruitful and significant developments in international affairs since the second world war. Certainly, none gives to those peoples of the world who are still living in comparative poverty greater assurance that others more fortunate stand ready to co-operate with them in their struggle towards a future free from material want and unnecessary suffering; none gives the underdeveloped countries themselves a better opportunity to help one another by exchange of skills and training; none contributes in a more useful and constructive way to the achievement of the objectives set forth in articles 55 and 56 of the charter.

Then I should like to quote further from the remarks of the same gentleman on October 27, 1953, at the same session of the general assembly, when he said:

> Many delegations, in speaking of the contributions which their governments hope to make to the 1954 expanded program, have stressed the benefits which their own countries have derived from technical assistance and their belief that, by the further exchange of technical skills and know-how, extensive and enduring progress can be made towards prosperity and improved standards of living all over the world. The Canadian government shares this belief. Canada has been, and still is, a country which depends greatly upon the export of primary products. But our recent and rapid industrial growth has been based upon technical developments and upon the exploration of improved industrial and agricultural techniques which we have pursued in our own country and which we are ready to share with others.
>
> In accordance with our belief in the fundamental importance of the kind of work which is being done under the expanded program of technical assistance, I am authorized to announce that if, in our view, the support given to the 1954 program by the other contributors warrants such

action, and if the total of the contributions is sufficient to make a reasonable and workable program on a sound economic basis, the Canadian government, subject to parliamentary approval, is prepared to increase its contribution to the 1954 expanded program of technical assistance from $800,000, as it was in 1953, up to a maximum of one million five hundred thousand dollars (United States). I should further add that if the total of contributions falls below what we regard as reasonable, the Canadian contribution would be reduced accordingly.

It is our hope that when the pledging conference meets in two weeks time, the response from delegations will be such as to ensure the continuance at the maximum possible efficiency of what we regard as one of the most valuable contributions the United Nations has so far made to international economic co-operation and progress.

Therefore, Mr. Speaker, I believe the Canadian government has already taken substantial steps in the spirit of this resolution. Subject to the approval of parliament we are proposing that we practically double our contribution to the technical assistance fund.

Technical assistance means the sharing with underdeveloped countries of the advanced knowledge and skills of the industrialized and more highly developed countries. The idea of international technical assistance on a large scale is relatively new. It was proposed first by President Truman in his inaugural address to congress in 1949. I expect to refer to this matter later in my remarks. This suggestion was quickly taken up by the United Nations, which organized an expanded program of technical assistance in 1950.

There are various arguments one might use to support technical assistance in underdeveloped countries. I think the one that comes to mind first, in fact the most important one, is on ethical and moral grounds. The rich countries should be prepared to help the countries with lower standards of living, so that their standards of living can be raised.

We have already heard in the house figures showing the difference in real income as between rich countries and very poor countries in the world. Those contrasts are indeed very striking, and they underline the necessity of being ready to help these people. I think it is also important to point out how the life expectancy in developed countries compares with that in the underdeveloped. In Canada and the United States a child may look forward to an average life of 60-plus years. In the underdeveloped countries an average life expectancy is in the neighbourhood of 30 years. By improving their living conditions we should be able greatly to increase their life expectancy.

The measure of the poverty in much of the world is best understood not by figures but

by descriptions. I have read that in parts of Africa over 90 per cent of the people are infected by one or more kinds of worms. This shows a great need for modern health standards. Seven per cent of the world's people enjoy 40 per cent of the income, whereas another 54 per cent of the people enjoy only 13 per cent of the income.

More than that, there is a strong tendency for extremes of poverty and affluence to diverge. That is, rich countries, with their great capabilities, tend to get richer while poor countries, with no technical skills, tend to become even poorer. And I do believe that in many of these so-called impoverished nations there is an even greater cleavage between the classes living in those countries. We find a small minority of very rich people while the great majority live in abject misery.

I remember one of the most striking occasions at the meeting of the United Nations I attended was a speech delivered by a delegate from one of these underdeveloped countries. As I remember his remarks he said, "In our country it is not a matter of enjoying some little luxury. It is more a matter of finding a crust of bread for a starving son, or finding some simple drug to relieve the agonies of death of a loving mother".

I would stress again that the main reason for helping underdeveloped countries is the moral one. Nevertheless, political considerations do enter into the question. These, we will admit, are possibly of a selfish nature but, in our present international situation, it must be admitted that they are realistic.

On motion of Mr. Robertson the debate was adjourned.

RESEARCH

PROMOTION AND ACCELERATION OF ACTIVITIES —WITHDRAWAL OF MOTION

On the order:

Notice of motion: Mr. Murphy (Lambton West)—That, in the opinion of this house, the government should consider the advisability of setting up a special committee representative of all parties, with the power to call witnesses and send for documents and papers for the purpose of examining and reporting upon the advisability of providing inducements to promote and accelerate activities in the field of research.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, before you call it six o'clock may I have the consent of the house to have my motion withdrawn from the order paper?

Mr. Speaker: Has the hon. member leave to withdraw his notice of motion appearing as No. 5 under that heading? It can be withdrawn only by unanimous consent.

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

Business of the House

BUSINESS OF THE HOUSE

Mr. Harris: I outlined last evening the agenda for tomorrow. Meantime the suggestion I made has been accepted, and on Friday we shall consider the Criminal Code.

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

83276—125

HOUSE OF COMMONS

Thursday, February 11, 1954

The house met at 2.30 p.m.

PRIVILEGE

MR. POULIOT—REFERENCE TO USE OF THE WORD "TORY"

Mr. Jean-François Pouliot (Temiscouata): Mr. Speaker, since yesterday afternoon I have been rather remorseful, and I wonder if I have not been unfair to the hon. member for Kamloops (Mr. Fulton), who is one of our genial colleagues, an able lawyer and a brilliant debater. We have to live together, work together and suffer together, and it is impossible for members of parliament not to observe the amenities when life is spent together. For my own punishment, I have decided not to mention a word which belongs to the king's English and is highly parliamentary. I shall not use the word "Tory" for a month.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I can only say that the testimonial from the hon. member is highly appreciated, but was entirely unsolicited. Since, however, he has imposed this penance upon himself, I shall reciprocate by refraining for a month from using the word "Grit".

Mr. Pouliot: I did it just to clear my conscience.

QUESTIONS

ARMED FORCES PENSIONERS—R.M.C. GRADUATES

Mr. Noseworthy:

How many of the 145 pensioners who were serving in the regular forces before June 1, 1944, and have been released since September 1946, with less than 20 years' service, were graduates of the Royal Military College?

Mr. Blanchette: According to the records available in the Department of National Defence, 6 of the 145 pensioners referred to are graduates of the Royal Military College, that is approximately 5 per cent, whereas the number of graduates of the Royal Military College serving as officers in the Canadian army in 1944 was 961, that is approximately 2·07 per cent of the total of 34,638.

83276—125½

CANADIAN ARSENAL, LINDSAY

Mr. Hodgson:

1. How many people are employed at present at the Canadian arsenal in Lindsay, Ontario?
2. How many employees were on the payroll in September 1951, September 1952, September 1953?

Mr. Howe (Port Arthur):

1. 570.

2. September 1951, 506; September 1952, 692; September 1953, 588.

TOMATO PULP—IMPORTS FROM ITALY

Mr. Lennard:

How many pounds of tomato pulp or paste were imported into Canada from Italy in the year 1953?

Mr. Howe (Port Arthur): Tomato pulp or paste is not separately classified and there are no records that would show the separate importations of this commodity.

SHEEP AND LAMBS

Mr. Kirk (Antigonish-Guysborough):

What was the population of sheep and lambs (a) in Canada; (b) in Nova Scotia, during each of the years 1938 to 1953, both inclusive?

Mr. Howe (Port Arthur): The number of sheep and lambs in Nova Scotia and Canada as at June 1, 1938-1953 were as follows:

	Nova Scotia	Canada
June 1, 1938	145,500	3,046,800
June 1, 1939	142,900	2,911,400
June 1, 1940	142,600	2,886,600
June 1, 1941	138,200	2,840,100
June 1, 1942	149,000	3,196,900
June 1, 1943	161,600	3,458,600
June 1, 1944	161,300	3,725,500
June 1, 1945	160,200	3,621,800
June 1, 1946	154,200	2,941,500
June 1, 1947	138,000	2,706,900
June 1, 1948	130,700	2,246,800
June 1, 1949	123,300	2,075,400
June 1, 1950	131,600	2,015,000
June 1, 1951	95,400	1,461,200
June 1, 1952	83,700	1,588,200
June 1, 1953	95,000	1,721,300

NOTE: The estimates for 1942 to 1950 inclusive are currently being revised in line with census data for 1941 and 1951.

Questions

CANADIAN ARTISTS—GOVERNMENT GRANTS

Mr. Michener:

1. In the past 20 years have any grants, annuities or like payments been made by the Canadian government to or in aid of (a) Canadian authors, painters or other artists, and (b) theatrical, operatic or ballet companies or groups?

2. If so, what was the total amount of all such payments in each of the last 20 years?

3. Who were the individual recipients and how much was paid to each in the past five years?

Mr. Benidickson:

1. (a) Yes; (b) No.

2. $54,000.

3. $4,000 annually to the Canadian Writers' Foundation, Inc.

MALLEABLE IRON PIPE FITTINGS

Mr. Starr:

What was the total amount of malleable iron pipe fittings imported into Canada month by month, during the year 1953 and in January 1954, from (a) United States; (b) United Kingdom; (c) Japan?

Mr. Howe (Port Arthur): Information not available. Malleable iron pipe fittings are not separately classified in Canadian import trade statistics but are included in the general item of "Pipe fittings, n.o.p.".

Canadian imports by countries under this general item during the months January to October 1953, are as follows:

Month 1953	United Kingdom $	United States $	Germany West $	Japan $	Total, all countries $
January	38,308	356,529	557	8,892	404,286
February	42,960	344,521	....	1,618	389,099
March	21,826	415,687	34	1,245	438,792
April	24,948	356,323	429	3,967	385,667
May	38,239	456,095	....	8,558	502,892
June	47,682	403,604	4,147	....	455,433
July	32,952	382,260	100	31,544	446,856
August	36,920	335,545	1,290	25,421	399,176
September	46,482	434,280	....	2,040	482,802
October	52,609	420,176	....	12,042	484,827
November	not yet available				
December	not yet available				
Totals	$382,926	$3,905,020	$6,557	$95,327	$4,389,830

SHIPBUILDING BOUNTY, NEWFOUNDLAND

Mr. Power (St. John's West):

What amounts of money were paid in Newfoundland on account of shipbuilding bounty, during each of the years 1949 to 1953?

Mr. McCann: Assuming that reference is to assistance in construction of fishing vessels of the dragger or long-liner type, no amounts have up to date been paid in Newfoundland. Five applications are pending.

TOMATO JUICE AND PULP—IMPORTS FROM U.S.

Mr. Lennard:

1. How many pounds of tomato juice were imported into Canada from the United States in the year 1953?

2. How many pounds of tomato pulp or paste were imported into Canada from the United States in the year 1953?

Mr. Howe (Port Arthur): 1 and 2. Tomato juice and tomato pulp or paste are not separately classified and there are no records that would show the separate importations of these commodities.

[Mr. Howe (Port Arthur).]

QUESTIONS PASSED AS ORDERS FOR RETURNS

LAND SURVEYS, KIPLING, SASK.

Mr. McCullough (Moose Mountain):

1. Did the federal authorities make any land surveys in the village of Kipling, Saskatchewan, during the years 1952 or 1953?

2. If so, what was the purpose of these surveys?

MARITIME PROVINCES—DREDGING

Mr. Nowlan:

1. How many contracts for dredging were awarded in the maritime provinces, exclusive of Newfoundland, during the calendar year 1953?

2. What was the location of each such dredging operation?

3. Which of these, if any, were awarded without tender?

4. Where tenders were called, what were the names of the firms or individuals submitting each such tender, the unit price or total amount thereof and the names of those to whom contracts were awarded?

5. What was the total amount paid to each such contractor and the quantity of dredging performed?

LABOUR CONDITIONS

UNEMPLOYMENT—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. Clarence Gillis (Cape Breton South): Before the orders of the day are called, Mr. Speaker, I am going to disturb the tranquillity of the house for a moment by asking leave, seconded by the hon. member for York South (Mr. Noseworthy), to move the adjournment of the house under standing order 31, for the purpose of discussing a definite matter of urgent public importance, namely the serious and mounting unemployment situation now facing this country and the urgent need for government action to prevent further economic distress.

Mr. Speaker: The hon. member has moved the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance, namely the serious and mounting unemployment situation now facing this country and the urgent need for government action to prevent further economic distress.

The hon. member was kind enough to give me notice that he was going to make this motion. Therefore, though I did not wish to take advantage of his courtesy, I had a chance to look at the authorities. While I did not know the exact terms of the motion he was to move, I realize now that according to the terms of standing order 31 a matter which is to be proposed, if the adjournment is to be granted, must be one of recent occurrence; and it must be so important that the public interest would suffer if the matter were not debated immediately.

It strikes me that from time to time, ever since this session was inaugurated, references have been made to unemployment. Questions have been asked of the minister, and he has answered them.

It seems to me therefore that this is a situation which is not of the type coming within the terms of the provision imposed by standing order 31. I agree with the hon. member that any matter concerning unemployment in this country is one which is serious, and it might be important to debate it—but not under standing order 31. It is not the kind of situation which justifies the putting aside of the important matters which were announced by the leader of the house for consideration today. I see on the order paper, for instance, that today we shall be considering the second reading of a bill respecting the Canadian forces, another bill respecting benefits for members of the Canadian forces, and so on.

As the matter is one of a general character, and not of recent occurrence, I do not think we should put aside the orders announced for today for the purpose of adjourning the house. Therefore with great regret, and with respect, I have to give it as my opinion that this does not meet the requirements of standing order 31, and I cannot allow the motion to stand.

Mr. Gillis: If I might be permitted to say this, while I am not going to quarrel with Your Honour's ruling—because that is your prerogative—I am reasonably sure that if I had an opportunity to discuss the matter I could convince even you that it was of urgent public importance and necessitated review by members of the House of Commons. However, at another time we may have a chance to do this.

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, if I might add a word, it is the intention on Monday to move to go into supply in respect of one or two departments. I should think that would be an occasion when the hon. member could discuss this very important subject. Then there is another point. I cannot be in the house this afternoon, and I should like to say a few words on the subject myself.

Mr. Gillis: I trust the Leader of the Opposition (Mr. Drew) will not cut in on us.

WATER POLLUTION

NORTH SASKATCHEWAN RIVER—REQUEST FOR FEDERAL LEGISLATION

On the orders of the day:

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, I should like to ask a question of the Acting Prime Minister. My question arises partly from what has transpired in the house within the last few weeks, and partly as a result of a lengthy telegram I received last night from the mayor of Prince Albert. I shall not read it to the house, but it states that they have up-to-date facilities for the treatment of water in the city. They have tried activated carbon and chlorine dioxide since last Saturday, and there has been no improvement.

They are asking that the federal government pass a law which would cover this situation. I am asking this government, through the Acting Prime Minister, whether the government will consider the introduction of legislation immediately which would prevent any industry dumping any matter in any interprovincial river which would cause the pollution of the water in that river.

Inquiries of the Ministry

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, I am not quite clear as to the constitutional position, but it is my understanding, from discussions we have had in the house, that the jurisdiction is provincial. However, I shall have the matter looked into and determine whether it would be proper legislation for the government to consider.

IMMIGRATION

SUGGESTED CLOSING OF CANADIAN OFFICES IN THE UNITED STATES

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to ask a question of the Minister of Citizenship and Immigration. In view of the fact that some United States immigration entry offices in Canada are to be closed, does the Canadian immigration branch contemplate closing Canadian immigration entry offices in the United States?

Hon. W. E. Harris (Minister of Citizenship and Immigration): I do not think we contemplate that. As a matter of fact, subject to correction, I do not believe we have any offices in the United States.

Mr. Fraser (Peterborough): I think you have one in Chicago.

VETERANS LAND ACT

ALLEGED INSTRUCTIONS TO VETERANS TO LEAVE WINTER JOBS

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to ask a question of the Minister of Veterans Affairs. Has the Department of Veterans Affairs recently issued a directive to young farmers who took up land under the Veterans Land Act that they must quit jobs which they have taken for the winter as a means of helping them to get their land clear and their indebtedness paid, and get back on the land?

Hon. Hugues Lapointe (Minister of Veterans Affairs): The answer is no. No such directive has been issued by the administration under the Veterans Land Act.

INCOME TAX

REQUEST FOR STATEMENT OF GOVERNMENT POLICY FOLLOWING QUEBEC LEGISLATION

On the orders of the day:

Mr. Leon Balcer (Three Rivers): Mr. Speaker, I should like to ask a question of the Minister of Finance. Is he in a position to make a statement as to the position of federal income tax payers in the province of Quebec as a result of the decision of the legislature in that province to levy a provincial income tax?

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, the only information I have concerning the proposed tax is what I have been able to glean from stories in the newspapers. However, I understand the government of the province of Quebec proposes to impose a personal income tax—

Mr. Knowles: On the minister.

Mr. Abbott: —and that it is to take the form of some percentage of federal income tax, whatever that may be. Of course, successive reductions in the federal income tax have made it possible for any province which cares to do so to enter the field, the rates now being approximately half what they were at the peak of taxation during the war.

So far as the federal income tax payer is concerned, he will be able, under the Income Tax Act, to take credit for any provincial tax paid up to 5 per cent of his federal tax liability.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO SALE OF PRINCE RUPERT DRYDOCK AND SHIPYARD

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, I have a question to ask the Minister of Transport. Has the Prince Rupert drydock and shipyard been put up for sale? If so, what steps have been taken to see that whoever purchases it will keep it in operation?

Hon. Lionel Chevrier (Minister of Transport): The hon. member was good enough to telephone my office to the effect that he was going to ask this question. The answer to the first part of it is yes, the Canadian National Railways are putting the Prince Rupert drydock up for sale. They are doing it because they find that it is being operated at a tremendous loss and, furthermore, that it would take substantial sums of money to put it into repair. It is not in good repair at the moment.

With reference to the second question my reply is that the Canadian National Railways are selling the drydock without stipulations. They are selling it in the same manner they would sell any other asset of the railways. It is hoped by the Canadian National Railways that a purchaser will be found who will be willing to operate the drydock. I think I should add here, in fairness to my colleague the hon. member for Skeena (Mr. Applewhaite), that he has asked me to see a

delegation to discuss this matter, and I have agreed to do so, together with two or three of my colleagues.

Mr. Green: May I ask a supplementary question? The sale is not under a condition that the drydock and shipyard must not be demolished?

Mr. Chevrier: The yard is being put up for sale by the Canadian National Railways. I have seen the terms. I have not them before me, and I would not like to give them from memory, but I should be glad to send my hon. friend a copy of the press release, together with the notice of tender. He will see there all the terms, together with the assets that are being sold.

LABOUR CONDITIONS

CANADIAN NATIONAL RAILWAYS—REQUEST FOR FURTHER STATEMENT RESPECTING LAY-OFFS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport? In view of the continuing lay-offs by the Canadian National Railways, can the minister make any statement that will allay the fears of railway workers that still further lay-offs are in prospect?

Hon. Lionel Chevrier (Minister of Transport): I think I have already given to the house some indication of the position. I can say at this time that these lay-offs have been necessitated because of a decline in traffic—I speak now, of course, only for the Canadian National Railways—due to a number of factors, one of them being the decline in the traffic in the United States. There are a number of connections made by the Canadian National Railways at border points with United States railways, and the traffic coming in from there has declined substantially. There is also a substantial decline in other commodities in several parts of Canada having to do with coal and grain; and there is also the factor, I am sorry to say, of dieselization, which has added to the difficulties.

I do not know what the actual figures are at the moment, but the last figures I got were in the neighbourhood of 1,500, and I have not seen the picture for this week. I know that the officers of the Canadian National Railways are most anxious to take on men just as soon as traffic conditions change. If there is any upswing in the traffic, then I am sure these men who have had to be laid off, unfortunately, will be taken on again.

Mr. Green: The minister gave a figure of the number of men who had been laid off by the Canadian National Railways. Is that figure all-inclusive, or is it in addition to the number given by his parliamentary assistant on January 22, which was 800?

Mr. Chevrier: The parliamentary assistant of course was correct as of that date. I am giving the figure I last saw which was one day last week, and it was in the neighbourhood of 1,500.

Mr. Green: That includes the 800 referred to before?

Mr. Chevrier: That is right.

Mr. Winch: I think we had better revise the ruling with respect to urgency in the unemployment situation. The situation is deteriorating rapidly, and seems to have deteriorated seriously in the past few minutes.

FISCAL AND MONETARY MEASURES TO TAKE CARE OF UNEMPLOYMENT

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I wish to direct a question to the Minister of Finance. Since I have not given him notice of it perhaps he would prefer to take this as notice and answer tomorrow. Can he tell the house something as to the fiscal and monetary policies which the Minister of Labour tells us are the means proposed to take care of unemployment?

NATURAL GAS

INQUIRY AS TO DECISION BY FEDERAL POWER COMMISSION ON APPLICATION OF WESTCOAST TRANSMISSION COMPANY

On the orders of the day:

Mr. E. D. Fulton (Kamloops): May I ask the Acting Prime Minister whether the government is in possession of any information which it is in a position to pass on to the house regarding the possible date when a decision might be handed down by the federal power commission of the United States on the application of Westcoast Transmission Company for a permit to export gas, and any other information the government has in its possession regarding this matter?

Right Hon. C. D. Howe (Acting Prime Minister): The government has no official information on the point, but unofficially I have been informed both from Washington and from the office of the pipe-line company that a decision is expected early in April.

Inquiries of the Ministry

WHEAT

INQUIRY AS TO INITIATION OF FUTURES MARKET

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. Has the minister's attention been drawn to the statement made on the farm radio forum by the United States assistant secretary of agriculture to the effect that consideration is being given by Canada to initiating the futures market again for trading in wheat? Will the minister assure the wheat producers that no consideration is being given to opening the Winnipeg grain exchange for trading in wheat?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The attention of the minister was drawn to this article a few days ago by the hon. member. I had not been able to see the article, but I now have it from him. I do not think it is worded quite as strongly as is suggested in the hon. member's statement. The speaker said he understood the subject might be considered. I may say it has not been considered by myself, and as far as I know no consideration is being given to it by the government.

(Translation):

POST OFFICE

INQUIRY AS TO 40-HOUR WEEK

On the orders of the day:

Mr. J. W. Dufresne (Quebec West): Mr. Speaker, I would like to ask the Postmaster General (Mr. Cote) one or two questions. First, at what date will the 40-hour week be implemented in the case of postal employees, and will these 40 hours extend over five consecutive days?

In the second place, when new hours are put into effect—

Mr. Speaker: The hon. member might wait for an answer to his first question and then ask the second.

Hon. Alcide Cote (Postmaster General): Mr. Speaker, I want to thank the hon. member for having given me notice of his intention to ask this question. The five-day 40-hour week will be implemented on the date which has been announced and which was discussed during a recent debate; it is April 1, 1954. In regard to the second part of the question, the answer is, not necessarily.

Mr. Dufresne: When these new hours are in force, could the Postmaster General tell me whether they will apply to all postal employees throughout Canada, including those in Quebec?

[Mr. Howe (Port Arthur).]

Mr. Cote: Mr. Speaker, if the hon. member wants to be patient, I believe that within a day or two the Minister of Finance (Mr. Abbott) will make an official statement on the matter, after the civil service commission has submitted its report to the treasury board.

(Text):

Mr. Knowles: May I direct to the Minister of Finance a supplementary question on this subject? Is his own city of Montreal on the list for the five-day 40-hour week for post office workers?

Mr. Abbott: I hope so.

(Translation):

REMARKS CONCERNING THE ISSUE OF UNILINGUAL CHEQUES TO CERTAIN EMPLOYEES

On the orders of the day:

Mr. J. W. Dufresne (Quebec West): Mr. Speaker, I would like to ask another question of the Postmaster General (Mr. Cote). First, is the minister aware that students employed in a temporary capacity during the Christmas season at the Verdun post office were paid with unilingual cheques?

Secondly, has the minister taken steps so that the cheques printed for his department will hereafter be printed in the two official languages of the country?

Mr. Speaker: That is not a question of an urgent character. I believe that the hon. member should have it placed on the order paper.

(Text):

EXPLOSIVES ACT

AMENDMENTS RESPECTING IMPORTS, OFFENCES, CERTIFICATES, ETC.

The house resumed, from Tuesday, February 9, consideration in committee of Bill No. 83, to amend the Explosives Act—Mr. Prudham—Mr. Robinson (Simcoe East) in the chair.

On clause 4—*Authorized explosives only.*

The Chairman: When the committee rose on Tuesday we were considering clause 4. Shall the clause carry?

Mr. Nowlan: No.

Mr. Prudham: Shortly before ten o'clock on Tuesday, when this bill was last before the committee, the hon. member for Calgary North made inquiries about regulations applying to the purchase and use of explosives by a farmer. No permit is required to purchase explosives in any quantity, except when the purchase is made for resale. If the quantity bought exceeds 150 pounds the explosives will have to be stored in a magazine and licensed under this act. If the

quantity is less than 150 pounds and is for private use it must be stored in a place and under conditions as described in the explosives regulations, part 13 of the consolidation of the Explosives Act and regulations. I have some copies of the act and the regulations here if the hon. member would like to have a copy.

The hon. member for Peterborough asked if it was lawful to carry explosives in automobiles. There is nothing in the act to prohibit a person from carrying explosives in a private automobile, but if the quantity exceeds five pounds there are certain regulations which must be observed. If the automobile is a public carrier, such as a taxi, it would be unlawful to carry explosives at all.

Mr. Fraser (Peterborough): The reason I asked that question is that quite often a farmer or someone may require explosives to blow up a stump, and he cannot have a public carrier transport it for him as he may have to go 20 or 30 miles to get it. He carries it in his own car. With the five-pound limit would he have to have a special place to store it?

Mr. Prudham: Yes.

Mr. Nowlan: This clause 4 repeals subsection 1 of section 5 of the act and substitutes a new subsection. The old subsection contained the words "except as provided in this act" and the new subsection contains the words "except as provided by the regulations". I do not think there is any other change in the wording of the subsection. I am wondering why the minister felt it necessary to delete the word "act" and substitute therefor the word "regulations".

I have protested against this practice before, so I shall not labour the matter at this time. This statute has been on the books for many years and it spelled out in part what was prohibited, so there must be some good reason why that should now be abolished and we should simply have the word "regulations" substituted therefor. It will be impossible now by reading the act to find out what is prohibited and what is not. We are simply having a blanket change, taking out the word "act" and substituting therefor the word "regulations".

No doubt the minister and his advisers will draw up proper regulations, but if you want to find out what is in the regulations you have to go to some back corner of the *Canada Gazette*. I am speaking rather feelingly now as a lawyer practising in the country, because when you have to deal with these things you like to find them in the statute. I contend that there should be something more in the statute than the blanket power to the minister to make regulations. For years the statute has prohibited certain things, and I should like to know why this change is being made. The Minister of Justice is in the chamber; he has heard me make the same complaint before. However, I am afraid it fell on deaf ears.

In my opinion this is a wrong principle against which this house should protest. There should not be a continual repealing of sections and substituting therefor of regulations. This is the most flagrant case I have ever seen, because all it does is take out the word "act" and substitute therefor the word "regulations". I do think the minister should give some logical and forceful explanation as to why this is being done. Otherwise I shall have to protest against it.

Mr. Prudham: Mr. Chairman, the main reason that "regulations" is being substituted for "act" in this subsection is that in these days of fast development in the resources field, conditions are continually changing. If all the regulations were incorporated in the act it would be most inflexible and would not meet changing conditions.

Mr. Nowlan: To use a slang expression, I will buy that to a certain extent. I realize that conditions are changing and that the minister should have power to deal with special circumstances or emergencies which require regulations. But there are basic conditions which should be governed by acts of parliament. That is what we are supposed to be here for. That is why we pass legislation.

This argument about changing conditions should apply also to the Minister of Justice and the Minister of Labour. Every minister is faced with changing conditions. If we are going to accept that argument we had better close up this place and rent it, and simply pass a blanket act to say that we are abdicating and hereafter the government can pass regulations. I do not think we want to do that. I do not think we should do that.

I am perfectly willing to admit that the minister should have the power to make regulations, and I am perfectly prepared to leave it to his good judgment; but I do not think he should have the power to substitute himself and his regulations for what heretofore has been an act of parliament.

Mr. Macdonnell: Mr. Chairman, I should like to add just a word on this subject of regulations. As the hon. member says, it is not merely this power that is given; it is given in such a way that we must object. For example, in connection with the housing

bill we were not going to be able to see the regulations until the legislation was passed. In other words we were going to have to act blindly, just like a lot of half-informed children, in passing that legislation.

What the hon. member has said is only too true. We have to be sensible about this. We realize there must be some flexibility, but the great danger of legislation of this kind is that we are to have a general section in the act and then everything else goes into the regulations.

Mr. Adamson: There is a question or two I should like to ask concerning authorized explosives. First of all I should like to have some information as to the regulations governing fireworks. What is the maximum charge limit, in ounces, in fireworks? What are the limitations in connection with the composition of the explosive? What is the maximum amount of fireworks that may be transported at a time?

I mention these things because the Hand Fireworks Company is near where I live. Unfortunately there have been one or two accidents at the fireworks plant, and there have been other accidents in connection with the sale of fireworks. I believe in some of the American states fireworks are almost prohibited. I should like to know what the regulations are, and if they have been amended. Have any additional restrictions been put in force recently?

Mr. Prudham: The regulations governing fireworks will be found in part II, regulations 200 and 201. I do not think there can be any hard and fast rule, any blanket ruling covering fireworks. I was out to the new explosives laboratory near Uplands airport recently when they were testing explosives that had been sent in from Japan to see if they were safe and under what conditions they would be safe. The department decides under what conditions and in what quantities these explosives can be shipped or stored or used.

Mr. Adamson: Is there any place where the general public can see these regulations? They are being amended and changed all the time, and some consideration should be given to this phase of the matter. Any hardware store or any other store selling fireworks should have them available.

Mr. Prudham: Any explosives or fireworks manufactured by Canadian manufacturers are closely classified, and anything that is imported is also classified after testing at our laboratory. The hon. member has asked how the public would know there is a list of authorized explosives, including fireworks, issued by the department. Such a list is available to merchants and any member of the public who is interested.

Mr. Adamson: I want to ask a question about dynamite, and the storage and disposal of old explosives. Has the maximum period of storage in regard to explosives been shortened? I mention this because of a recent strike at the Hollinger gold mine, not the most recent one but one prior to that. There was a considerable amount of dynamite underground when the men went on strike, and there was some question of disposal. Special volunteers had to go underground to move the explosives because they had been stored there. Under such conditions nitroglycerin tends to concentrate, being the heaviest part of the dynamite.

Mr. Prudham: Mr. Chairman, conditions such as the hon. member has mentioned come under provincial regulations.

Mr. Adamson: I know there is a provincial mines act which takes care of that sort of thing, but under this act is the storage of dynamite or other explosives in mines considered at all?

Mr. Prudham: Mr. Chairman, this department does not regulate the storage of explosives in mines. That comes under provincial regulations. We have authority under this act to destroy explosives which have deteriorated and are unsafe, and where they constitute a danger to the public safety. I believe that in Ontario the provincial regulations are very well administered, and they are quite adequate as regards public safety; but if we have reason to doubt that we can apply the regulations under this act.

Mr. Adamson: Then this act is ultra vires of the provincial mines acts? Surely a federal government statute dealing with explosives should also deal with the major use of explosives in Canada, namely in the mining industry. It seems to me that if this act does not deal with the storage and use of explosives in mines it is rather lacking in some respects.

Mr. Prudham: Mr. Chairman, to answer my hon. friend's question more specifically I would refer him to page 2 of the regulations, chapter 7, section 2, subsection (h), paragraph (i) which reads as follows:

> (h) "magazine" means any building, storehouse, structure or place in which any explosive is kept or stored, but does not include
>
> (i) a place at or in and for the use of a mine or quarry in a province in which provision is made by the law of such province for the efficient inspection of mines and quarries and explosives used in connection therewith . . .

Mr. Adamson: Therefore this act has really nothing to do with the major use of explosives in Canada?

Mr. Prudham: Not when the provincial government has made provisions.

Mr. Adamson: Are there any provincial governments that do not have a mines act?

Mr. Prudham: Our department inspects mine magazines in New Brunswick and Newfoundland by invitation.

Mr. Adamson: Mr. Chairman, I want to ask one more question about the percentage of nitroglycerin or gelignite or the so-called safe explosives used especially in the coal mining industry. In that industry explosives are used which have a low concentration of nitroglycerin or a low explosive content or flash point. They are especially designed so as not to cause fire in coal mines. Can the minister say what the composition of such explosives is?

Mr. Prudham: In addition to standard explosives, certain explosives are designed for specific purposes. The hon. member has asked for percentages but I am afraid I cannot give him that, though I would be glad to pass on the information later.

Mr. Adamson: I rather wondered about that because there has been an alteration recently in the United Kingdom standards as regards underground explosives, and I wondered whether some similar action was contemplated here.

Mr. Prudham: We are really prohibited by the act from giving that kind of information. I would refer the hon. member to section 25 regarding the disclosure of confidential information, which states:

> Any person employed under this act who without due authority from the minister discloses any confidential information is guilty of an offence . . .

Mr. Adamson: But surely the content of explosives which is designated—

Mr. Prudham: Manufacturers have their own formulae.

Mr. Adamson: I realize that, but surely in this act there must be overriding regulations which limit the percentage and govern the quantity of nitroglycerin in any explosive used underground.

Mr. Prudham: Every explosive is tested on its merits. Each manufacturer would have his own formulae, which would be tested and certified on performance.

Mr. Adamson: But in this act then there is no limitation as to the concentration of the active blasting element in an explosive?

Mr. Prudham: No; each manufacturer submits his own sample. I had a man in my office a couple of weeks ago who claimed he had an entirely new formula which would revolutionize the explosives business, and we have asked him to submit samples, which he has not done as yet. He may not have any nitroglycerin in his explosive, but I do not know.

The Chairman: Shall clause 4 carry?

Some hon. Members: Carried.

Mr. Nowlan: I have one question which perhaps the minister has already dealt with but if so I did not hear him and I would like to put it again. Perhaps he dealt with it in answer to my hon. friend from York West. Two or three years ago there was a factory near Halifax engaged in the manufacture of dynamite. After it had been closed down for some years there was an explosion there. Perhaps the minister's officials would be conversant with the details. Some men were around at the time, out hunting as a matter of fact, and there was a dreadful explosion in which they were blown to pieces and everything there was shattered. Apparently there had been a certain amount of dynamite left there in storage. It had been there for years, had deteriorated and gas had generated with the result that the explosion took place. A very close personal friend of mine was killed there at that time.

I want to know whether such a matter would come under the control of this department. Was there no control in that case, or what was done to inspect such premises and thus prevent the explosion taking place?

Mr. Prudham: I understand it would come under this department. That particular case was investigated, and the report is available if the hon. member would like a copy.

Mr. Nowlan: Are inspections carried out from time to time by the minister's department in regard to factories where such explosives are stored? How long before this explosion took place had that particular factory been inspected?

Mr. Prudham: Mr. Chairman, in that particular instance the factory had not been operating since this act came into force. Had it been a factory during the life of this act we would have inspected it.

Mr. Nowlan: So no inspection had taken place at that time

Mr. Prudham: No.

The Chairman: Shall clause 4 carry?

Some hon. Members: Carried.

Clause agreed to.

On clause 5—*No import without permit.*

Mr. Nowlan: Mr. Chairman, again this is an amendment substituting one subsection for another. I think there is a rather important change here. The old section—I say the old section but I mean the one now in force—says:

> No person shall import any explosive into Canada, other than safety cartridges, without a permit issued under this section.

This new clause says:

> Except as provided by the regulations, no person shall import any explosive into Canada without a permit issued under this section.

In other words, safety cartridges are now considered to be explosives, I take it. I am thinking, for instance, of the thousands of hunters who come into the maritime provinces in the fall of the year—I refer to Nova Scotia and New Brunswick—to hunt. Many of them bring in their own rifles and their own ammunition. Under the act as it stands they can do so. I looked up the definition of safety cartridge, and that would include the ordinary commercial cartridge that you buy. I understand it is now proposed that they cannot do that.

This will be a good thing for the local merchant, the hardware man or the corner store man who is going to sell ammunition and equipment. I can see an argument that can be made for that man. But on the other hand I think a good many tourists are going to resent the fact that they cannot bring in their own ammunition. We all know what some of these follows are like. They have their own high-powered rifles and have special ammunition for them. Surely there is no danger, is there, in connection with safety cartridges; or has experience shown that there is—and if so what—and is that the reason their importation is now prohibited?

Mr. Prudham: Mr. Chairman, the change is in section 9, subsection 2, which reads as follows:

> No person shall import any explosive into Canada, other than safety cartridges, without a permit issued under this section.

The chief inspector of explosives advises that provision by regulation for safety cartridges was made to cover the case of tourists coming into Canada to hunt. It has been found that large quantities of safety cartridges—that is small arms ammunition—were brought into the country by wholesale dealers and jobbers over which the chief inspector of explosives had no control. Much of this ammunition has been found to be faulty and serious accidents have occurred. In order to prevent the recurrence of such accidents and to maintain better control over the quality of such ammunition brought into Canada it has been suggested that by regulation the quantity be limited to a reasonable amount. I do not know just exactly what that amount will be. The amount suggested to me was 2,000 rounds, which would suit almost any tourist.

This will be subject to changes based on practical experience, of course. The explosives division is equipped with the necessary machinery and is capable of carrying out proper inspection for quality on safety cartridges; and before allowing the shipment of large quantities into Canada. Samples could be obtained for inspection and analysis without hardship on anyone.

Mr. Nowlan: Then it is the intention of the minister to permit tourists to bring ammunition into Canada under the regulation?

Mr. Prudham: Yes, but not for resale.

Mr. Nowlan: I presume that at the border you will have to have inspectors, or will have to delegate to the customs officers the task of controlling that traffic. Will that be the set-up?

Mr. Prudham: The customs officers would act for us.

Clause agreed to.

Clauses 6 to 10 inclusive agreed to.

On clause 11—*Peace officer may arrest person committing offence.*

Mr. Adamson: In connection with this clause there is a point I want to bring to the attention of the committee. It concerns a matter which is of some considerable importance, namely the clandestine transportation of explosives in baggage by air. It arises from the now famous or infamous case of the destruction of the Canadian Pacific airliner by a time bomb, by a group of assassins in Quebec.

Since those multiple murders there have been no less than seven other attempts. Some of them have succeeded in destroying the aircraft by placing explosives in baggage. I think there have been three which caused multiple fatalities and four which did not, either because the bomb did not explode or because the attempts were in other ways detected. The subject is dealt with in some detail—I say this for the benefit of hon. members who may be interested—in the *New Yorker* magazine of last October or November. The article deals with this crime in some detail and elaborates on the facts

of the case. The story is headed—taking the words, I think, of Mr. Justice Tremblay in Quebec—"This crime has no name".

There seems to me to be an opportunity here for this sort of thing to go on. In this act there does seem to be a loophole which allows explosives to be placed clandestinely on aircraft, although it is against the law—and of course it is murder—to do so. I believe those who are responsible for the handling of freight and baggage on aircraft should be empowered under this act to inspect without warrant any baggage placed upon an aircraft which carries passengers.

I realize that this is perhaps a restriction of the privilege of shipping express and other cargo by air, but I also realize that no legitimate shipper would object to having his goods inspected. I believe there is no worse or more horrible crime than that of the mass destruction of innocent people through this method. I should therefore like to move an amendment to clause 11—it would be clause 11 (3)—in these terms:

Any air line operating in Canada may appoint one or more persons at each airport who shall be empowered under this act to inspect or open any parcel, package or other object for carriage on any aircraft carrying passengers.

I realize that we have the Criminal Code. I also realize that we have regulations. A regulation and the Criminal Code are not going to be much protection to people who may be killed in the destruction of an aircraft. I believe there should be some method under which those who are responsible for transporting air cargo or air express in a passenger-carrying aircraft are empowered to inspect the cargo or baggage before shipment.

Mr. Prudham: The hon. member has brought up a very important point, but I think perhaps the situation is fully covered by the existing regulations. I should like to read from the Department of Transport air regulations, part VIII, section 1:

Explosives and other dangerous articles, other than those necessary for the operation or navigation of the aircraft or for the safety of the personnel or passengers on board, shall not be carried in an aircraft except as may be directed by the minister.

No person shall send or take upon an aircraft any explosives without distinctly marking their nature on the outside of the package containing such explosives, and otherwise give notice thereof to the person in charge of the aircraft whose duty it is to receive such goods.

No aircraft carrying explosives shall carry a passenger other than the owner of the explosives or his accredited representatives; but this requirement does not apply to ammunition permitted for hunting or sporting purposes or as emergency equipment.

Explosives Act

Under the Explosives Act, section 17, we find the following:

There may be appointed in the manner authorized by law a chief inspector of explosives, together with such other inspectors and chemists as are necessary for carrying out the provisions of this act.

The officers of this department have discussed this very problem, and propose to consult with the enforcement officers of the Department of Transport to see if they will co-operate in the inspection of express and baggage that goes on board passenger aircraft. They could then be appointed deputy inspectors under this act by authority of the section I have just quoted.

Mr. Adamson: I am glad something is being done about it. My amendment is a preventive one. While there are regulations, and while the shipping of explosives would contravene both acts, I still feel there is no adequate method of inspection to prevent the occurrence of similar crimes to that of the Guay incident, or whatever it is called, which resulted in the death of 27 people on a Canadian Pacific airliner. The crime is so horrible, and unfortunately it has happened on other occasions, that for the safety of the travelling public I should like to see this regulation put into the act. If the minister could see his way clear to adopting my amendment, I think it would be very useful for the safety of the travelling public.

Mr. Prudham: If the hon. member will withdraw his amendment I can assure him that our department, under the authority of this act, will co-operate with the Department of Transport with a view to preventing such occurrences in so far as that is possible.

Mr. Adamson: If I have that assurance from the minister, my point is made. There is no use persisting in an amendment which, if the government opposes it, will not carry. I did want to bring out the point most seriously that there must be some method by which baggage going on board an aircraft could be examined by the officers of an air line before the aircraft became airborne. I think it is only fair to the travelling public, and I rest my case not only on the Guay crime but the seven others which have taken place since then in other parts of the world.

The Chairman: Has the hon. member leave to withdraw his amendment?

Some hon. Members: Agreed.

Amendment withdrawn.

Mr. Nowlan: Clause 11 of the bill is new, and is one against which I want to register a protest. It says in effect that a police

officer or a peace officer may arrest anyone committing an offence under this act, which may or may not be all right. I doubt if it is. It goes on to say that a man may be arrested if the officer reasonably suspects him. This leaves the door wide open to any police officer or any sort of constable to make an arrest without a warrant.

I do not believe the provisions of this act, either as amended or as originally in the act, are of such grave importance that we should grant the right of arrest on suspicion without a warrant. It is true there is that right in the Criminal Code, but even in the Criminal Code the power is restricted to a police officer who finds a person committing an offence. In most cases the penalty under this act is only a fine of a few hundred dollars, so I believe we are opening the door still wider and giving more and more control to police officers, which is a violation of the concept upon which our whole system of justice is based.

The hon. member for York West has been discussing one very heinous type of offence. While the hon. member was speaking I was rather intrigued to recall an incident a friend told me about yesterday. He suffered a terrible catastrophe while he was in an aircraft. My friend is a sober, righteous and God-fearing individual. He was flying at 25,000 feet and had a bottle of whiskey in his club bag upon which the seal had not been broken, and it exploded. I am told that will happen if the seal has not been broken. There are many around here who could have obviated that danger.

I see that the act defines "explosive" as gunpowder, blasting powder, and then goes on to say—

> . . . and every other substance made, manufactured or used with a view to produce a violent effect . . .

I am not sure but what a bottle of whisky comes within that definition. I am sure no one in this house would ever be involved in a catastrophe of that nature, but if that should happen to someone are we going to arrest him without a warrant merely because he happened to lose a bottle of whisky while flying at 25,000 feet?

I am using that illustration facetiously, but it is an example of the danger of giving the power of arrest without a warrant for offences which are really summary and which are dealt with by the imposition of fines. The offences, at the most, are quasi-criminal, and in almost every case would be the result of ignorance of the regulations or technical offences. Of course a tourist might come here and carry ammunition without a permit, or something of that kind; but I do suggest that in the ordinary case, perhaps that of a farmer who violates the act because he holds too much in the way of explosives, there is no danger of his running away. A magistrate can get him any time he wishes.

Under our system one may lay an information before a magistrate. It may be a long procedure, and we have gone a long way in abrogating it, but I do not think we should do so for minor technical offences.

Mr. McIvor: If a peace officer is convinced that someone is holding explosives, and that a danger is involved, what would happen if that peace officer had to go back to see a magistrate and get a warrant? The damage would be done before he got it.

Mr. Knowles: Despite what the hon. member for Fort William has said, I wish to support the protest made by the hon. member for Digby-Annapolis-Kings. This is the same argument we had some days ago when we were discussing one of the clauses in the bill amending the Criminal Code. Perhaps we will be discussing it again tomorrow.

It does seem to me we have to be extremely careful before we agree to a provision of this kind that departs from the time-honoured principles of justice that have meant so much in this country. I have read with interest not only the section that it is proposed to enact by this clause, but also the explanatory note on the righthand page; and I suggest they do not say the same thing. If the wording of the clause went no farther than the explanatory note, it might not be so objectionable. I shall read both of them. The explanatory note says:

> This amendment authorizes peace officers to arrest without warrant a person whom they find committing or whom they reasonably suspect is committing an offence against the act.

We find in this explanatory note a provision for either one thing or another, but both are in the present. It seems to me there would be a case for a clause of that kind. However, the wording of the clause itself is as follows:

> Any peace officer may without warrant arrest any person whom he finds committing or whom he on reasonable ground suspects of having committed an offence against this act.

I can visualize a case where a peace officer might find someone in the act of committing this offence, and that might have been what was in the mind of the hon. member for Fort William. But if the event has taken place in the past, and a peace officer merely suspects that a certain person has been guilty of it, why should we not stick to the principle that the peace officer must obtain a warrant before making an arrest? I have had to say

on many occasions in the house that I am not a lawyer, and that I must look at these things from the point of view of a layman. But I am interested in the principles of justice and freedom, and I do not like to see departures of this kind.

The chances of having an amendment made, if it is moved from this side of the house, are not the best. I would suggest to the minister that he consider having one of his colleagues move an amendment to delete from clause 11 certain words appearing in lines 43 and 44. I suggest the deletion of the words, "or whom he on reasonable ground suspects of having committed". If those words were taken out the clause would then read:

Any peace officer may without warrant arrest any person whom he finds committing an offence against this act.

I would ask the minister to discuss this with his colleagues; and no colleague would be better qualified than the one sitting to his left, the Minister of Justice.

Mr. Prudham: This amendment is based upon experience in administering the act. For various reasons we feel it is necessary, in the interests of protecting the public. In some cases peace officers in the provinces administer the act for us. In isolated communities in the far north we might have special inspectors or peace officers appointed, who would have to travel considerable distances to lay a charge or obtain a warrant for the arrest of a person who is endangering the safety of the public.

The officers of this department have no desire to push anyone around; but I suggest when you are dealing with explosives you cannot afford delay, especially where the safety of the public is endangered. I can think of many instances where the provisions of this clause would be necessary to protect the public.

There comes to mind an instance during the war when the Americans were constructing the Alaska highway. At that time a construction company stored a large quantity of dynamite in a shack in the centre of Dawson Creek. Fire broke out, and the resulting explosion killed several people and practically wiped out the town. If an inspector had been on the job and had seen that condition he would have had to act quickly to prevent disaster. If he had found it necessary to go to the seat of government at Pouce Coupe to obtain a warrant, he perhaps would not have been able to act quickly enough.

This is just hypothetical, but many other situations could develop where, in the interests of public safety, a peace officer should have the power to arrest without warrant. I am told that we have had at least one case in Ontario where a provincial officer would not make an arrest because he doubted his authority. In that instance the person who was breaking one of the regulations was able to make his escape, and it was not possible to apprehend him.

The suggested clause in the bill is based upon experience; and in view of the hazards which might develop in connection with the transportation or use or storage of high explosives, we think it is quite reasonable.

Mr. Nowlan: With all respect to the minister, let me say that I do not think he has made a case to meet the contentions of my hon. friend from Winnipeg North Centre and myself. My hon. friend stressed the fact, as I did, that the minister might ask for the power to arrest without a warrant when a person is found committing an offence. However, I did think the case to which the minister referred, in connection with the building of the Alaska highway, was a little far-fetched, because they did not have an inspector on the job. It was never inspected; therefore there was no question of an arrest being made. If there had been inspection it would not have happened. If there had been an inspector who had the right to arrest without a warrant, he could have made the arrest and prevented the disaster. Once it happens, no further lives are being risked by the fact that you have not the right to arrest a man you suspect of having done something; and of course you can use the isolated example of the peace officer up near the north pole who may have to travel 500 miles.

It is really a sad picture, but I suspect that, generally, the peace officer acts after the offence has been committed and there has been an investigation. In these circumstances he could very easily take a warrant. And, much as I respect peace officers, and much as I regret a peace officer having to make a long trip, I think it is much better as a matter of principle that you have to lay an information and take out a warrant in respect of the offence committed, once it has been committed. It is better to do that than to accept the easy explanation, "Well, this will make it harder for the peace officer". After all, the police officers who join a city force expect to make some sacrifices; they are paid for it, and they are prepared to do it.

Really, I am surprised that the minister will not accept the suggestion made by the hon. member for Winnipeg North Centre, because it is a glaring case, a matter such as this, where the amendment should be made as suggested and the past tense taken out, but, of course, leaving to police officers

the right to make arrests if they find an offence actually in the course of being committed.

Mr. Prudham: Let us go back to the case my hon. friend mentioned, where some saboteur might be trying to unlawfully ship explosives on an aircraft. If the law officers suspected that a certain parcel contained explosives and they opened it while the man was still there, it seems unreasonable that they should have to go and lay a charge and get a warrant and let the man escape.

Mr. Nowlan: It is a continuing offence. You could arrest him right there.

Mr. Churchill: I should like to support what has been said by hon. members on this side of the house. Surely what the minister is after in his act and regulations is to prevent accidents or damage from improper use or storage of explosives. It seems to me that the example he gave from Dawson Creek is really not applicable here. What purpose is there in arresting a man when what you want, or would have liked to do in that instance, was remove the explosives or properly store them. It seems to me the arrest is something that takes place after the damage has been done. It is much more useful to prevent the damage from the explosive. This section gives to a peace officer the power to make an arrest if he suspects someone of having committed an offence, but that is something that takes place after the offence has been committed, after the damage has been done. Surely the due process of law would be satisfactory without this special arrangement.

The suggestion made by the hon. member for Winnipeg North Centre to limit it just to allowing arrest without warrant when a person is in the act of committing an offence should be satisfactory. By that means you prevent any damage occurring, and that would be so in the case so ably presented by the hon. member for York West, where explosives might be in a parcel going on board an aeroplane. The power of arrest there would be very helpful, but much more helpful would be the discovery of the parcel that contained the explosive and its removal for the protection of the people on the aeroplane.

Mr. Prudham: My officials tell me they have had several instances where people have tried to break into explosives plants. Usually, for reasons of safety, these plants are isolated from communities. Although the people who were trying to break in were seen, the officers were not able to make an arrest because they had to go back and lay a charge and take out a warrant before any action could be taken. The result was that those people escaped.

[Mr. Nowlan.]

Occasionally the department gets word from an isolated place, the Northwest Territories, perhaps, that a certain individual has abandoned some explosives. They are unsafe for use and a menace to the public. Probably the individual has left the country or is on his way out; our officer might meet him, and without a warrant would be unable to arrest him.

This amendment is based on the practical experience that we have had, and we think in the interests of safety it is necessary to take that power.

Mr. McIvor: It says "reasonable grounds".

Mr. Knowles: I am still not satisfied that the minister has made any case at all for departure from the time-honoured principle in connection with matters of this kind. I had hoped that he or his colleague the Minister of Justice would give serious consideration to the proposal I made a few minutes ago. Apparently that is not going to come from that side. This matter is of sufficient importance that we should know where the committee stands on it. I therefore move:

That clause 11 be amended by deleting from lines 43 and 44 the words "or whom he on reasonable ground suspects of having committed".

If that amendment were to carry the clause would then read:

Any peace officer may without warrant arrest any person whom he finds committing an offence against this act.

I believe that is as far as we should go. I do not like the suggestion that we are being asked to change what amounts to the basis of criminal law just to suit the convenience of peace officers. It seems that there is already in our criminal law too much of a desire to make things easier for the prosecution. I offer this amendment to clause 11.

Mr. Prudham: This act is not designed for the convenience of police officers. It is designed to protect the safety of the public. I believe that the safety of the public is of greater importance than the possible inconvenience of some individual who, in any event, will have recourse to the courts.

Mr. Adamson: I want to say just one word on this. My amendment, which I withdrew, had nothing to do with arrest. My amendment was actually a protective amendment for the purpose of inspection. I must say that I find myself in agreement with the argument raised by the hon. member for Digby-Annapolis-Kings and the hon. members for Winnipeg North Centre and Winnipeg South Centre. If a man is breaking into an explosives factory he is committing an offence and can be

arrested. This amendment is an abridgement of the rights of the citizen which I do not think is justified in the circumstances.

Mr. Garson: I do not want to participate in the discussion of the merits of the section unnecessarily, because it has been quite adequately covered by my colleague the hon. Minister of Mines and Technical Surveys, but I wish that the hon. gentlemen on the other side of the house who have spoken on the matter would elucidate a little bit more clearly what they referred to as the time-honoured principles that we are changing by this proposed amendment. For as I read not the new code, Bill No. 7, but the existing code, it says in section 646:

Any person—

Not a peace officer, mark you, but any person.

Any person may arrest without warrant any one who is found committing any of the offences mentioned in sections—

And then there are listed about two full pages of code sections defining a great variety of offences.

Mr. Nowlan: Of specific offences.

Mr. Garson: Yes; one of which is attempt to damage by explosives. Then, if hon. members will look at section 648 of the Criminal Code they will see this:

Any peace officer may arrest, without warrant, any one whom he finds committing any criminal offence.

Next if hon. members will look at section 652 of the Criminal Code—and this is the law which my hon. friends of the opposition must have referred to as being time-honoured for it has been in the Criminal Code for a long time. I shall read the relevant portions of this section:

Any peace officer may, without a warrant, take into custody—

Which is the same thing as arrest.

—any person whom he . . . has good cause to suspect of having committed or being about to commit, any indictable offence . . .

Surely the only distinction in principle there can be in the proposed clause 11 of Bill 183 is that this clause 11 may be applicable to some offences which it is true may not be indictable. But although they may not be indictable offences they are offences dealing with a very dangerous subject matter, namely, explosives. Just to take the case cited in the excellent statement of the hon. member for York West. Let us suppose that regulations are made, making it an offence for any person to put explosives upon an aeroplane and, we will say, that a Mr. Guay of the future puts explosives upon an aeroplane; and that no person knows that it was he who put them there or for what purpose they were put there.

At that stage of the investigation what he had done would perhaps only be an offence under the Explosives Act or some other act, or regulations passed thereunder. It is only after the crown has been able to disclose evidence to establish a conspiracy or other criminal motive, to show, for example, that the explosives were so placed for the purpose of killing one particular person, that what has been done appears to be an indictable offence. My hon. friends in furtherance of these time-honoured principles upon which they lay such great stress are in effect arguing in relation to such a set of facts that if the people who were investigating the presence of the explosives upon an aeroplane saw Mr. Guay just outside the aeroplane and had reasonable grounds to suspect that he was the man who put the explosives on the aeroplane they would have to go off and get a warrant before they could arrest him, and by the time they got back of course Mr. Guay would be gone, probably for good.

Mr. Nowlan: Does that increase the public danger in any way?

Mr. Garson: I think it would. This hypothetical Mr. Guay might conceivably be guilty of one of the most dastardly crimes. We have to remember in these matters that the law-respecting and law-abiding members of the public who mind their own business and obey the laws are entitled to a little consideration too. In actual practice sections of this character are not invoked by a responsible peace officer unless there are some reasonable grounds—indeed he must have reasonable grounds—to suspect that the person has been guilty of an offence.

It would seem to me in this connection that we must bear in mind that the materials with which this legislation deals are very dangerous indeed; also that in most of these cases at that particular stage of the investigation the peace officers in charge cannot perhaps establish that the act in question is criminal in nature to the point of being indictable. It may have been committed in innocent ignorance of the law. Or it may be an offence under the Explosives Act. On the other hand, the explosives may have been put in place for a dastardly purpose. At that stage, if the peace officers have not the power to arrest under such a set of facts, they must simply stand there stupidly and let the criminal get away. If that happened, then I suppose my hon. friends of the opposition would get up and criticize the administration of justice.

Mr. Adamson: Surely you have power under the act as it now stands to arrest?

Mr. Garson: No.

Mr. Adamson: Let us take the hypothetical case of a man suspected of placing explosives on an aeroplane.

Mr. Garson: No. Section 652 of the existing Criminal Code, not the new code, Bill 7,—there is no change of substance contemplated, and this is one of the sections which the hon. member for Winnipeg North Centre and I have been discussing and will be discussing tomorrow—says:

> Any peace officer may, without a warrant, take into custody any person . . . whom he has good cause to suspect of having committed or being about to commit, any indictable offence.

My point is that the sets of facts that come up in real life are not tailored to fit a textbook definition. At that stage of the investigation maybe no person knows whether this act in question was a dastardly crime or a less serious offence or just an innocent act. In such circumstances surely it is not unreasonable to vest some kind of discretion in the peace officer as to whether he will walk out of where the explosives are and say to the suspect: "Look, Mr. Guay, there is no need for commotion about this, but I wish you would come along with me. We will have a talk with the crown prosecutor to discuss this matter further, to clarify just what these facts are."

The hon. member for York West says that he is strongly in support of this other provision but I say to him that I do not see how he could make his suggested provision work in most cases if he supports this other provision.

Amendment negatived: Yeas, 17; nays, 54.

Clause agreed to.

Clauses 12 and 13 agreed to.

Bill reported, read the third time and passed.

PATENT ACT

AUTHORIZATION FOR INCREASES IN STATUTORY FEES

Hon. J. W. Pickersgill (Secretary of State) moved the second reading of Bill No. 177, to amend the Patent Act.

He said: Mr. Speaker, I am afraid that this bill has none of the dynamic or tragic possibilities of the measure which has just been passed. In fact it is a very dull one. There really is not much to be said about it other than what I said on first reading. If I may be permitted to do so I shall repeat the words I used on that occasion, which may be found in *Hansard* for February 2 at page 1678:

> Mr. Speaker, the sole purpose of this bill is to authorize certain increases in statutory fees provided under the Patent Act, in accordance with the policy of the government to make sure that services of this character are paid for by those to whom they are rendered, and not by the taxpayers generally.

I soon discovered, indeed the Minister of Finance (Mr. Abbott) drew my attention to the fact shortly after I came into my present office, that there has been a deficit for some time in the operations of the patent office, and it was felt that it would not be reasonable to allow it to continue. The deficit for the last fiscal year was about $133,000, and this seems an unreasonable sum for the taxpayers to contribute to an office which, when all is said and done, exists primarily to confer upon certain individuals and corporations exclusive privileges.

I felt, sir, that whatever some hon. members opposite might feel about whether the persons who put stamps on cheques, for which they obtained no service from the government, ought to pay for the carriage of letters, posted by others who did not pay the full cost, there could be no difference of view about the notion that the person who wishes to get a patent for an invention should pay the reasonable cost of the services in that connection.

There is another reason which I believe will appeal to a good many Canadians as to why this should be so. I am informed that some 90 per cent of the patents granted by the Canadian patent office are granted to non-Canadians, who are thereby given an exclusive privilege in this country. Whatever may or may not be thought about the merits of these exclusive privileges or monopolies they thereby acquire, I believe everyone would feel that the patentees or applicants ought to pay the costs which the government of this country incurs in giving them that privilege.

On the other hand, I do not believe it would be reasonable to try to turn the patent office into a profit-making operation; and the scale of fees recommended in this bill, plus something I am going to mention in a moment, is calculated by the officers of the department to put the operation of the office on a paying basis and provide a small margin for the expansion of costs, some of which have gone up as a result of the increases in salaries made effective last December, and others of which I hope will go up, because the patent office is trying to recruit the staff it badly needs in order to deal with its work a little more rapidly.

There has been a great scarcity of the kind of people required to do patent examinations, but the officers of the department are hopeful that some good recruits will now be forthcoming and that the work of the office may be made more efficient, though at a somewhat higher cost. That higher cost, it is felt, should be covered by the fees.

Now, sir, in order not to incur what I thought was the unreasonable criticism made of my hon. friend the Postmaster General (Mr. Cote), and in order to make as sure as I can that there will be no postcards in this measure, I should like to point out that under the statute certain powers are conferred, and I emphasize this, by parliament upon the governor in council to fix certain other fees. It is the intention of the governor in council, when this measure becomes law, to increase one or two of these other fees as well. I would prefer, unless hon. members wish me to do it now, to give precise examples in committee. There is also the *Patent Record* published by the office which is not now being paid for by subscription. It is intended also to increase the subscription for the *Record* and to increase the price charged for printed patents.

The measure, as hon. members will note, if passed will come into force on April 1. I am no expert on this matter, but representations have been made to the effect that certain of the steps taken under this law in the filing of documents, and that sort of thing, are valid only if full fees are paid at the time. It was felt that perhaps the interval of time between the passing of the act and the time it would come into force might not be sufficient to allow every possible applicant a reasonable opportunity to be informed of the change in rates. That is why clause 2 was put into the bill. It provides that if the old scale of fees are paid, the step will be valid, provided the additional fee is subsequently paid within a reasonable period of time.

Again, sir, and in order to make as complete a disclosure as possible to the house of the intentions of the government with respect to the Patent Act, I might say now that it is the intention of the government, if the necessary legislation can be drafted in time, to introduce another measure at this session which will affect the Patent Act and which will have to do with the codification and clarification of the patent rights of public servants, which are now governed by four or five different statutes which are not in every respect consistent with one another, but this proposed measure will in no respect whatsoever change the law with respect to patents themselves.

It has also been represented to the government, both by officials having to do with the matter and by other interested persons outside, that there are other desirable amendments which should be made to this legislation. No amendment is made except one to increase the fees, and the reason for that is that it seemed to me—and in this I have the approbation of my colleagues—that the Patent Act and certain other closely related statutes were so important to the economy of the country that they should be given careful and thorough revision of a character which a layman like myself could certainly not be expected to undertake, even if he had the time to do it.

I have therefore been authorized to state today, sir, that it is the intention of the government within the next few months to establish a public inquiry under the Inquiries Act into the working of the Patent Act, the Copyright Act, the industrial design act, and other related legislation. I am not attempting to give any specific terms of reference, but merely to indicate that the general scope of the inquiry which is being undertaken is with a view to ensuring that adequate stimulus is being given to inventive and creative talent in Canada; to see that at the same time the public interest is being protected from undue exploitation of property in inventions and ideas; and to suggest amendments to the legislation which might be considered desirable to make the law more effective for these ends.

I am also pleased to be able to say that the chief justice of Nova Scotia, Right Hon. J. L. Ilsley who is well known to many hon. members here, has consented to preside over the inquiry. I am sure hon. members will feel that no better evidence could be given that it will be in competent hands.

If I might crave your indulgence for a moment, Mr. Speaker, I should like to say that I recognize that although this announcement has relation to the act being amended, it has no direct relation to this bill. However, I feel that it would be helpful to me as the responsible minister, to the officials who will have to assist in the drafting of the terms of reference, and to the inquiry which is subsequently set up, if you would permit any hon. member who wishes to do so to make, quite briefly, any suggestions he wishes to make as to the scope or nature of that inquiry. The purpose is to make the legislation—about which I doubt if there

is any strong partisan division in the house—as effective as possible for its purpose. I would welcome, as I know my colleagues and I am sure everyone would, all the assistance that all hon. members on either side of the house can give in this matter.

I repeat that the sole purpose of the bill is to put the patent office on a paying basis. I doubt whether there will be any difference of view about the desirability of doing that. I do not think any hon. member would seriously argue that this particular amendment to the Patent Act should be postponed until the inquiry had been held. That is the reason this bill is being offered at this time.

Mr. Speaker: The minister has indicated that perhaps hon. members would like to make suggestions as to the inquiry which he will have established at a later date. Of course this procedure would be out of order. What we have before us now is a bill to amend the Patent Act only in a few particulars. The principle of the bill is what must be discussed on second reading, and in this case the principle is the desirability of increasing the tariff of fees. If hon. members agree with the suggestion the minister has made and if that is the wish of the house, all right. I shall leave it up to them.

Mr. Fulton: No.

Mr. Speaker: If they do not agree to accede to the minister's suggestion that at this stage they give their own views on the proposed inquiry, I will have to ask that the discussion on second reading be relevant to the principle, as is provided for by the rules.

Mr. E. D. Fulton (Kamloops): To deal first with the point you have just mentioned, Mr. Speaker, it seems to me that I should say this. We welcome the spirit in which the minister has made his suggestion. We on this side of the house do not like to turn down opportunities for discussion. But, having regard to the circumstances under which the invitation has been extended it seems to me that we are really not in a position to take advantage of it because no one of us had any idea that this subject would be raised. Certainly, speaking for myself alone—but I imagine that there are quite a number of other hon. members who are in the same position, probably the majority of them—I have not had any opportunity to marshal any thoughts on the subject.

I should therefore like to make this counter-suggestion to the minister. I hardly imagine that there is any great urgency, in the usual sense of the word, with regard to the proposed inquiry. I appreciate that the government, having decided to embark upon this inquiry, would like to get ahead with it as soon as possible, but there is no urgency in the sense that the affairs of the nation are really going to suffer if it does not get under way immediately. I would therefore suggest that possibly a more logical way to deal with the matter would be to wait until the minister's estimates are reached, at which time there would be the fullest opportunity for discussion of the matter and for the making of suggestions as to the terms of reference of the inquiry and so on. I think that would be the better way to deal with the matter.

Mr. Pickersgill: I think the hon. member's suggestion is a most happy and sensible one. I am rather sorry that I was not bright enough to think of it myself. I would certainly be very happy to agree with it.

Mr. Fulton: I thank the minister for accepting the suggestion. I have just one other comment to make. The bill itself—I am now dealing with the bill, not with the other subject—is relatively simple and certainly, at the outset, appeared to be completely non-controversial. I had some doubts on that score when the minister, I thought, was in danger of both obscuring the clarity of the bill and destroying its non-controversial aspect when he appeared to be trying to drag into it stamps on cheques, whose relationship to the bill I was not able to appreciate although the motive behind the minister's method was more obvious. However, we shall not let that spoil the discussion. Being as simple as it is in purpose and in scope, I think the bill really does not require any extended remarks at this stage, although I shall have some questions to ask the minister when we go into committee.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I think we all agree with the result of this discussion so far as the minister's announcement about the inquiry is concerned, and I shall concur in the suggestion that has now been made. As a matter of fact, I have in my files upstairs a few letters which may now be sent to the minister as suggestions rather than bringing them here to the floor of the house. What is good about the announcement made by the Secretary of State (Mr. Pickersgill) today is that it gives to the public advance notice that such an inquiry is to be made, and any people who are interested in the Patent Act, the Copyright Act or the Industrial Design and Union Label Act will now be in a position to forward their suggestions either to the Secretary of State or to members of parliament so they may transmit them to the Secretary of State.

I am sure we welcome the announcement that this inquiry is to be set up. We agree with the Secretary of State that it is in good hands if Mr. Ilsley is to be chairman of the inquiry. As the hon. member for Kamloops (Mr. Fulton) has said, the bill at first looked to us like an uncontroversial one, and like one so simple that the sponsor probably would not bother getting to his feet on second reading. I wondered for a while whether the Secretary of State wanted to get into another argument, but I gather that is not his real purpose. I congratulate him on having learned something this week, namely on having learned that it is a good idea for the government to disclose its hand. I congratulate him on assuring us that no postcards are going to turn up in the discussion of this matter, and for having told us what other steps the government plans to take if this measure goes through.

It seems to be a reasonable proposition that those who wish this service should be required to pay for it. I believe we took that position with respect to something else the other day, namely newspapers and periodicals. I had better watch out, Mr. Speaker, or I shall be as out of order as was the Secretary of State. However, we welcome the frankness of the minister today and see no reason why the bill should not be given second reading.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I want to add, to the words of those who have already spoken, my word of thanks to the Secretary of State for giving us notice of the revision that is in prospect. That notice undoubtedly gives to members of the house and to many outside the house the opportunity to dig down into their experience and knowledge and undoubtedly to come up with some concrete suggestions.

As to the amending bill that is before the house, I heartily agree with it and the principle behind it, namely that those who use the service—after all, they are given certain privileges—are the ones who should be made to pay for those privileges. In passing, Mr. Speaker, I should like to say that the Secretary of State (Mr. Pickersgill) made mention of postcards, but I am glad that at least here we have no second-class patents with which to contend.

Mr. J. T. Richard (Ottawa East): I welcome, Mr. Speaker, the many announcements made by the Secretary of State (Mr. Pickersgill) today. We heard some announcements regarding monetary changes in the bill, but there were also some very good changes to be made suggested in the Patent Act concerning inventions by public servants. This reform has been long overdue because in the past public servants have not been very well rewarded for their inventive genius. I welcomed the increased fees which will assist the work of our patent system in Canada.

I know it is an easy thing for the Secretary of State to stand in his place and say that those who want the privilege should pay for it. I want to tell the members of the house that it is not always a privilege to get a patent. Very few of the people who obtain a patent make anything out of it. What the Patent Act does do, and what it was designed for, is to confer a privilege on the public to help inventors in this and other countries to develop in their respective scientific fields. The patent is granted to a person because he has spent some time inventing something that was not known before. He gives it to the public after having benefited for seventeen years by the privilege, as some might call it, of being the exclusive owner of the right to use the invention. As I said before, the patentee very seldom benefits from the patent.

Patentees are willing to pay the higher fees. I have no objection to the fees mentioned in the schedule attached to this bill, although I believe they have reached the limit because they are as high as those charged in the United States. The patentee or inventor does expect, however, to get good service. The thing which has prevented the patent office in this country from giving the same service as patent offices in other countries is the fact that we have not been able to recruit the necessary assistance to run the patent office. What we have is very good, and the improvements over the past seven or eight years have been excellent. I am glad the present Secretary of State is taking such an interest in the Patent Act. I hope he will remain Secretary of State for some time so that we may have a minister who knows the Patent Act.

I believe, Mr. Speaker, that the purpose of this bill is to offset the deficit which the patent office has shown for three years. With a revenue of about $600,000 in 1949, there was a surplus of $230,000. This year, with a revenue of about $777,000, we have a deficit of $133,000. While the increase in fees would have taken care of increased salaries and things of that sort, the thing which is really responsible for the deficit is the printing of patents. I believe this should be brought to the attention of the house. The printing of patents and the *Patent Record* cost about $400,000 a year. The revenue from the sale of the printed patent and the *Patent Record*

amounts to around $30,000. There is, therefore, a deficit from the operation of printing patents and the *Patent Record* of close to $370,000 a year. Were it not for this printing, the patent office would have a surplus of some $235,000 or $240,000 a year.

It might be of some benefit to hon. members if I traced the story of the printing of patents. I am hoping the Secretary of State will find some way whereby we can either cut the cost of printing these patents or else he will have to increase the price charged for them. As I recall it, the original report which was submitted by the commissioner of patents and his advisers in 1947 stated that printing would cost about $45,000 if done by the rotaprint method. Some further estimates were made later, and it was stated that printing would not cost more than $90,000. Since there was a surplus of $130,000 a year, it was thought the patent office would not lose any money. However, the cost has proved to be nothing like that, and has gone up from $230,000 in 1949 until today it is about $400,000. Some time ago I spoke to the Secretary of State and suggested to him that the price of these printed copies should be substantially increased. The printed copies now cost only 25 cents each. As I calculate the cost of printing, and I can only go by my figures, the cost of printing a patent is about $30. They are sold for 25 cents each.

As I have often said to the commissioner of patents, those who want printed copies will pay $1. Before printed copies were obtainable it usually cost in the neighbourhood of $4 for a typewritten copy of the patent, but those who needed them bought them. It is true that more printed copies are sold, but at a price of 25 cents, which I feel cannot be justified. I feel that the minimum charge should be 50 cents, and I would go as high as $1 for a printed copy such as is furnished by the Canadian patent office. I am a patent solicitor as well as a barrister, but my practice is mostly in patents and trade marks. I know that when I want a copy of a patent I tell my secretary to get four because they are only 25 cents each. I only need one, but I put the others on the file and give them to people asking for them. If the printed patent cost $1, I would get one or two. I would even pay $2, because that is a very small amount to pay for a copy of a patent and the drawings exactly as they are supplied in the patent office. In the past, to avoid delays, attorneys had to make a search for the patent, and then make copies themselves.

Therefore, Mr. Speaker, I am in agreement with the purpose of this bill. Last year there were about 16,000 applications for patents, and about 10,000 allowances, so if the fee were increased by $5 the extra revenue would amount to about $130,000. This would cover the deficit, along with other increases in salary. Hon. members of this house need not cry over the increase, because, of the 16,000 applications filed in Canada, about 12,000 were filed from the United States, 1,867 from England, and only in the neighbourhood of 1,173 from Canadian sources. Even some applications in the latter group were from subsidiaries of United States corporations. In effect, we are therefore taxing foreign corporations and foreign inventors. It will not be the Canadians who will suffer. I believe, however, for the present we have reached the limit in fees for filing applications and for allowances, when we consider the services rendered. I hope that, moved by his zest and zeal, ambition and courage, our new Secretary of State will, as a result of all the good things he has in mind, and the inquiry he wishes to conduct, bring about a better Patent Act.

Mr. Pickersgill: Mr. Speaker—

Mr. Speaker: If the Secretary of State speaks now he will close the debate.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I shall not speak long. I could not help rising to echo what was said by the hon. member for Ottawa East (Mr. Richard). I, too, hope I will remain Secretary of State for some time.

But my main purpose in rising was, being a cautious man, to enter a caveat. I said I had hoped there were no postcards in this bill. I did not say there were none. I tried my best to think of everything even remotely related to the bill that the house might wish to know. But it is possible I may not have thought of everything. If so, I hope that my having said so in advance will reduce the enormity of the oversight.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Tariff of fees.*

Mr. Fulton: I wonder if the Secretary of State would answer one or two questions. I believe he said that last year there was a deficit of $130,000. Is it intended that the increase in fees resulting from the increases provided in the schedule, together with other increases the minister contemplates, and which I understand he has power to make by regulation—or that the governor in council has power to make—will make good the whole of that deficit? Or is it expected that there will still be some to make good?

Mr. Pickersgill: It is estimated that it will produce in the next fiscal year about $184,000. The deficit would almost certainly be greater this year, and probably in the next year greater still.

Mr. Fulton: Can the Secretary of State say whether the deficit is due mainly to the feature mentioned by the hon. member for Ottawa East, that it is brought about by printing costs and things of that kind, or whether the shortage of revenue as compared with expense is created mainly by increases in salaries? In other words, is it due to actual operating costs, that is, costs of materials, printing and the like, or the 40-hour week or some similar arrangement?

Mr. Pickersgill: I do not think, Mr. Chairman, that I would really be able to give an answer that would satisfy even myself. As the hon. member for Ottawa East said a moment ago, it is a question whether it is essential to have a patent printed. If it is essential, then the nice question arises as to how to spread the overhead. The printing cost is so much; and I am pleased to be able to say that, from the best evidence I have been able to get thus far, the costs per unit are steadily decreasing. Some new types of processes are being introduced which have had the effect of reducing costs steadily.

I have no doubt however that the hon. member for Ottawa East, who is very much better informed about the details surrounding this kind of thing than I can profess to be—because he deals with them constantly —will know that the main part of the deficit, if one may so describe it, arises because it costs a lot more to print the copies than the sale of those copies brings in, even adding the sale of the *Patent Record.*

But in my view that is not very good economics; because if patents have to be printed anyway, then it could be argued in another way that everything brought in from the sale of them was pure gain, and that the printing is an essential part of the whole process. It is the kind of question about which very high-priced cost accountants quarrel, and therefore a layman like me, who is not an accountant of any sort, really has not an opinion that is worth giving to the committee.

Mr. Fulton: What I had in mind was that there are only certain of the tariff items being increased. I believe there are seven of them. If the increases are designed to avoid a deficit which would result from increased operating costs, then I am wondering why all items were not increased proportionately.

For instance here is one:

On filing an application or petition under sections 41, 47 or 67 or 68; for each patent mentioned therein, $10.

That is the same as the old fee; there is no increase. If costs and salaries have increased, while it may be true that the physical volume of work required to fill such an application has not increased, the cost of maintaining a staff and premises certainly has. I know that all costs in connection with the land registry office have increased, and therefore all fees were increased. I am wondering what the situation is here.

Mr. Pickersgill: The fees were increased in those cases where the number of transactions was considerable and where the revenue was in substantial amounts. There are some of these items in which the revenue is so inconsiderable that I imagine it would be a nice question as to whether reprinting the tariff of fees and producing a new document, with new amounts on it, would not cost more than it would be hoped to get out of it.

Mr. Fulton: But you have to print it anyway, do you not?

Mr. Pickersgill: The whole tariff, yes. But I presume—and here I must say I am on very dangerous ground because I am theorizing about something concerning which I have no direct knowledge. But I imagine these things have to be printed in many different places. If only a very few applications come in, it may be more inconvenient to change them than not. In any case the amount of revenue produced in those cases, so I am informed, has not been very considerable.

Mr. Thomas: What increase in revenue does the minister expect this year from the increased fees? Incidentally, I noticed that the hon. member for Ottawa East took me to task for referring to the privilege granted to those who obtained patents. Possibly he did so quite properly, because I think I should have used the word "protection" instead of "privilege".

Mr. Pickersgill: The word in the statute is "monopoly".

I think I gave the figure a moment ago to the hon. member for Kamloops, when I stated that it was estimated it would produce about $184,000 in the next fiscal year. This will not come into operation until April 1.

Mr. Fulton: Does the minister feel disposed to give the committee the other changes that have been made by order in council, or by the Secretary of State on his own book?

Mr. Pickersgill: There are two items of the supplementary tariff which is established by order in council P.C. 2637 of June 10, 1948, under authority of section 75 (4) which empowers the commissioner of patents, with

the approval of the governor in council, to fix the fees of any proceeding not herein provided for.

Mr. Knowles: Those are the postcards.

Mr. Pickersgill: These are the postcards. The intention is to recommend these latter two increases to the governor in council, as I said, after the bill is passed. As I said, if the bill is passed. The two items are: Completing application; the present tariff is $3; the new one will be $5. The estimated additional revenue is about $3,662. I perhaps should say, sir, that the $184,000 figure I gave included these changes to be made by regulation as well as those to be made by statute.

Supplementary disclosure; the present fee is—

Mr. Knowles: That is what you are doing now.

Mr. Pickersgill: I think mine was not supplementary but simultaneous. The present fee is $15. The new fee suggested is $20 and the additional revenue estimated—this is a very close estimate—is $395. If I had been doing it I think I would have made it $400. That illustrates the point I was making to the hon. member for Kamloops a few moments ago, that some of these things are just barely worth changing, not that I regard $400 as a very small sum.

Then, in addition to that, it is proposed to increase the price for printed copies of patents from 25 cents to 50 cents. Whether the governor in council will yield to the entreaties of the hon. member for Ottawa East and make it $1 I do not know. I should like to consider that a good deal before proposing it, because I did a little arithmetic when the hon. member was speaking. He said that he never bought one printed patent, he always bought four. Four at 25 cents each makes $1; four at 50 cents would make $2. If the price were $1 he might not even buy two. It is the kind of pricing policy that every merchant has to consider, and I will give it such consideration as I can. But I think I can assure the committee the result of my consideration will be that I shall still recommend to council that it be 50 cents. For individual copies of the patent office record the price is now 25 cents. The price for an individual copy will be 50 cents, and the annual subscription rate will be increased from $10 to $25. It is estimated that this increase in price will produce another $9,000. Of course that must depend a good deal on how many subscriptions there are.

Mr. Knowles: A good many references are being made to the printing of these documents. I believe they are printed in what is known as the patent record printing office rather than over at the printing bureau. Can the Secretary of State say whether the same scale of wages applies to those working in the patent record printing office as to those working over at the printing bureau?

Mr. Pickersgill: I wish, Mr. Chairman, that I had the same capacity for carrying in my head the encyclopaedic information that the hon. member for Winnipeg North Centre has.

Mr. Knowles: You used to be in Winnipeg yourself.

Mr. Pickersgill: I used to be in Winnipeg and my memory was no better then than it is now. The printing bureau and the places where this printing is done, which after all is part of the printing bureau in the Canadian building, are under the jurisdiction of the queen's printer, for whose activities I am responsible in this house. I would not venture to say whether the wages paid in one place are the same as in the other, but I would think it very unlikely that they would not be. They have different processes. I presume there are different wages paid to people for different processes, but, honestly, I cannot answer the question, sir. However, I shall be glad to answer it when my estimates come up.

Mr. Fulton: Has the Secretary of State told us already for how many years the patent office has shown a deficit?

Mr. Pickersgill: My information is that there has been a deficit for the last three years; that is, prior to this year.

Mr. Fulton: Then, to be strictly accurate in connection with the minister's statement on second reading, this proposal is not in accordance with the government's policy; it is a revision of government policy designed to put it on a paying basis, but I think it is quite a sound one.

Mr. Pickersgill: Perhaps I might make a brief comment on that. There was a very large deficit in the fiscal year—I had better get it right; it always helps—

Mr. Knowles: The frankness over there today is most refreshing.

Mr. Pickersgill: Yes. The year 1950-51 was the first year the printing was undertaken and the deficit was nearly a quarter of a million dollars, $244,000 and some odd. The next year it was only $79,000. I have the feeling that the printing was experimental the first year and it was very expensive. There was a hope that the process could be perfected and that the cost could be

reduced to the point where there would not be a deficit. But when it was found in 1952-53 that the deficit had gone up to $133,000 and that, in spite of technological improvements which had been made to reduce the rate of deficit, it was not being reduced and that the business was growing—and as someone said in another context, if I dare refer to it, you cannot lose money on every unit and make money on the whole operation—it was felt that the time had come to follow the policy of the government, sir.

Clause agreed to.

Clauses 2 and 3 agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: Shall this bill, by leave, be read the third time now?

Mr. Knowles: No.

Mr. Speaker: Next sitting.

CANADIAN FORCES ACT

AMENDMENTS TO DEFENCE SERVICES PENSION ACT, NATIONAL DEFENCE ACT, CANADIAN FORCES ACT, ETC.

Hon. R. O. Campney (Associate Minister of National Defence) moved the second reading of Bill No. 80, respecting the Canadian forces.

He said: This is a bill to amend a number a statutes which affect the members of the defence forces. Speaking to the resolution preceding this bill on December 10 last, as reported in *Hansard* at pages 795 to 799 inclusive, I reviewed generally the scope of the bill and endeavoured to cover briefly its salient points.

The clauses of the bill are not related to each other and the bill does not deal with a single specific subject, so that I would think that the usual practice of debating the principle of a bill on second reading is hardly applicable to this bill. I would suggest, therefore, that it might expedite consideration of the bill and be more helpful to hon. members if the bill could be given second reading now, after which we might proceed in committee to consider the several clauses which make up the bill.

Mr. G. R. Pearkes (Esquimalt-Saanich): When the resolution preceding this bill was before the house I called attention to the unusual character of the bill, namely, its being one of those omnibus bills, embracing a great many amendments to five different acts of parliament. I do feel that it is unfortunate that the minister persists in introducing this omnibus type of bill, because it makes it very difficult for many people to find the amendments to the various bills referred to. If the minister has found difficulty in defining the principle of this bill, I say that the principle of the bill is entirely unprincipled. With that I will have to agree with the suggestion that we deal with the bill clause by clause as we proceed.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*Short title.*

Mr. Noseworthy: Mr. Chairman, I want to raise a matter for discussion and I think perhaps it should be raised under this clause. I have discussed this with the minister and some of his officials. Under the Defence Services Pension Act as it now stands certain classes of permanent service personnel who are compulsorily pensioned for economic reasons are subject to a one-third reduction in their pension if they were in the permanent force before June, 1944. Those who became members of the permanent force after June 1944 and are compulsorily retired after ten years may receive their full pensions without any reduction.

The actual result is as follows: A member of the permanent force who joined before June, 1944, and after being twelve years in the force, with say six years overseas, was then compulsorily retired for treasury board reasons with eighteen years' service, would be subject to a one-third reduction in pension. That would wipe out entirely any pension for the six years which he had served overseas. He gets two-thirds of his pension instead of the full pension. He gets a pension equivalent to twelve years' service instead of eighteen years'. That one-third reduction just wipes out the pension for the six years he was overseas.

But take a man who joined the services after June, 1944, and who had six, four or two years overseas—because there is no fixed minimum required for that category who joined the service after 1944. This man would have served two years overseas and ten years in the permanent force. He is then compulsorily retired but receives exactly the same pension as the man with twelve years in the force plus six years overseas.

That seems to me to be unfair and I think the minister himself will consider it is a bit unfair that a man with twelve years' permanent service before the war, with six years overseas, a total of eighteen years, should draw exactly the same pension after

being compulsorily retired as the man with two years overseas service and ten years in the force after 1944.

I found from discussions with the judge advocate general that no such discrimination was made in connection with those pensioned under similar circumstances after world war I. Those who had been in the forces before world war I and were compulsorily retired for treasury board reasons were permitted to count their overseas service and were not subject to any one-third reduction.

I find from returns handed down that 145 men have been affected to date by this, and that the one-third reduction has cost those 145 men something over $246,000. I do not think that this country is so poor, nor do I think that the Department of National Defence is so hard up for money, that it must save by making a one-third reduction in the pensions of men who served overseas just because they happened to be members of the permanent force before June, 1944. If they had joined the forces after June, 1944, they would be subject to no such reduction.

The only reason I have been able to get from the judge advocate general and his officials for this discrimination is that the man who was in the forces before the war was able to retire at the end of the war and count his war service for pension purposes, whereas the man who was not in the permanent service before the war had to serve ten years after the war before he could count his overseas service for pension purposes.

I see no good reason why this distinction should be made. I see no good reason why a man who joined the permanent force before the war and served for eight, ten or twelve years should not be entitled to count his war service when compulsorily retired, through no fault of his own, just the same as the man who joined the permanent forces after the war was over. I can see no advantage that accrues to the man who was a member of the permanent force before the war.

I should like the minister to tell the committee whether or not he has considered this matter and has been given reasons which justify his believing that this arrangement is fair to the men who are affected, to the 145 men who have to date suffered a loss of $246,000 in their pensions. I may say that 139 of those 145 men were promoted during service in the field; they were not military college graduates but were promoted on the field of battle.

Mr. Campney: Mr. Chairman, I would like to make one general observation before dealing with the matter specifically raised by the hon. member. The Defence Services Pension Act, like the Public Service Superannuation Act, is an act which came into being after a great deal of study by financial experts, by Mr. Finlayson, who was then superintendent of insurance, and by our own officials. In the act attempt has been made, as in the Public Service Superannuation Act, to take into consideration all factors relating to terms and conditions of service, and to produce an act taking cognizance of all relevant factors with a view to arriving at a fair and just act. I would also like to say that if the hon. member seeks to imply, and I do not believe he really does, that there has been wilful discrimination in regard to pension matters, I can assure him that such was not the case.

In regard to the class of cases to which he referred, it is my understanding that first of all the retirements in question came about by reason of the need to promote economy or efficiency in the services.

I want to emphasize that there is a responsibility in connection with any retirement before the normal period of service has been completed, and that retirements did take place with a view to promoting efficiency in the forces.

In the cases in question these officers, if I am correctly informed, had an opportunity to elect whether they would remain under the original parts I to IV of the Pension Act or come under part V. I will not attempt to go into the details of the differences between these parts as they are rather complicated and intricate; but as the hon. member knows, part V is the part under which all people now entering the services come, and it is provided in that part that if an officer retires before completing 20 years service he suffers a reduction of pension. If he retires before 20 years he suffers a deduction of one-third of his pension until he is 65. That is the general rule in cases under part V.

If the persons concerned retired under parts I to IV they would not be entitled to any pension at all. When they elected to come under part V they accepted the same rate as applies now to anyone entering the service under part V, and I think this is the root of the hon. member's criticism.

When the forces were being reorganized after world war II, I believe on the basis of a force about seven times greater than existed prior to world war II, there was a great need of senior officers highly qualified and experienced, and as an inducement to such men it was decided at that time that, notwithstanding the general provision of part V of the Pension Act, such persons taken into the services would receive full pension if they should retire after 10 years' service. This aided the

recruitment of the type of people we wanted, men in their middle thirties, who under normal circumstances could not have served 20 years before reaching the compulsory retirement age. As an inducement they were given a pension after 10 years without the one-third deduction until they should attain the age of 65 years. That was done for the benefit and welfare of the services.

It was not a question of R.M.C. graduates as against other officers because, as I pointed out, of the 145 who were retired under the reorganization, 6 were R.M.C. graduates and over that whole two-year period of reorganization I believe only 20 R.M.C. graduates were enrolled. It was a question of trying to reconstitute the forces on the best basis possible having regard to the qualification of the people available and of obtaining the officers required by the services.

I would also point out that those coming into the services under part V for purposes of qualifying for pension are not permitted to count their war service. Those gentlemen who were retired with the deduction from their pensions of one-third until they reached the age of 65 were permitted to count their war service as qualifying service; so, in order to understand this problem, you have to go a little deeper into the pension set-up than I fear the hon. member has done. You cannot simply say that one particular group has more service than another in the case of people retired on grounds of economy or efficiency, or that there are benefits under parts I to IV that are not available at present under part V, because there are also benefits under part V of the act which were not available under parts I to IV.

It is a question of balancing advantages and disadvantages, and the only object of the Defence Services Pension Act and of the administrators of that act is to try and strike a fair balance. I believe that on the whole that has been done. I do not believe, from my own knowledge and from looking into the question which the hon. member has raised, and indeed from looking into the cases, that any individual has suffered hardship or been treated with unfairness. You can take any pension case and differentiate it from another, but basically I believe the administration of the act as it is now constituted has been fair. The officers to whom the hon. member referred had the right of election and, having weighed the advantages and disadvantages, what they really did was to elect to come under part V on the same basis as all others coming under that part.

Mr. Gillis: Mr. Chairman, I am not going to continue that argument, but there is one point with reference to it which the minister missed. He referred to the 145 officers who were retired at that time and who are now under discussion. But they were compelled to retire. They had no alternative and I believe that distinction should be made. Whether the hon. member for York South intended to imply what the minister inferred from his remarks, I do not know, but I would just like to say that as a general rule good field officers do not make good parade ground officers if there is no war on. That may have had something to do with it.

I am going to draw to the attention of the minister some grievances which I hope he has not forgotten. I have mentioned them before in relation to this pension set-up as it affects officers. While the present bill does not attempt to amend the whole National Defence Act, it has reference to this particular matter. I am referring now to superannuation pension contribution made by officers who have died while in the services, and I want to remind the minister that when we were amending the original act a few years ago, and again since then, I brought to his attention a particular case which can be repeated over and over again. Evidently, not very much attention has been paid to it because there has been no reference to it at this time. In Canada today the services are a career. They can no longer be looked upon as an organization which you go into for war purposes, your main desire being then to get out. Today service in the armed forces is being made extremely attractive. Boys are being enticed in. A great many of them are going to make a career of it. They are going into the permanent forces, and those forces are going to be permanent for some time, in my judgment.

This superannuation scheme works in this way. An officer or any other member of the personnel may die within the service. The case I brought to the attention of the minister —and it can be repeated—had to do with Captain Edward Rowe. He served ten years in the army, with four or five years' combat service. He came back and was stationed in Ottawa. During the time of his service in Ottawa he had a heart attack and died in the service. When his contributions were returned to his widow, the income tax department deducted $600 income tax assessment from his contributions while he was in the service.

He intended to make the army a career. He left a widow and three children. Despite all of the veterans legislation there is no redress for that widow under any of it. She

could not get a dependents' pension because the pension commission said his death did not arise out of, nor was it connected with, war service. In the second place, the widow could not get war veterans allowance because she was too young—she was not 55—and she was not completely incapacitated. Despite the fact that she lives in an isolated part of the country and has three small children to look after, she could not qualify. She gets nothing. No burial expenses were provided. In some cases the stone is provided to mark the last resting place of one who offered his life for his country. She herself had to purchase the stone.

In view of the fact that the services are a permanent organization, and in view of the fact that we can anticipate that kind of thing happening to many more service personnel, I think the time has come—indeed it is long past—when the defence department should have an understanding with the income tax people, at least, that the return of these contributions—this widow did not get any pension—should be free from income tax assessment. In the defence committee and in the house, both to the minister and to the Minister of Finance (Mr. Abbott), I suggested that some understanding should be arrived at between the two departments in order to correct that kind of thing. Nothing was done about it. It is not a new story at all to the minister or to the deputy minister because they were both present when I waved my arms on it before at some considerable length. I just hope that even at this late date something might be done to correct the situation. I am convinced that after a man has had ten years' service, with four or five years' combat service, the widow and those small children should have been provided with some kind of pension rather than having the contributions handed back for the income tax people to take a grab at and leave them with nothing.

I am also hoping that the Minister of Veterans Affairs (Mr. Lapointe), in cases of that kind, will allow a little bit more latitude. As to a man who dies in the service of a heart attack and who has had combat service, I cannot understand how any medical doctor can make a decision that that man's death was not attributable to service. Certainly the stress and strain of war, in my judgment, had a great deal to do with it in the case to which I have referred. Nevertheless, the little widow and the three children are left to shift for themselves.

There are two other matters to which I should like to direct the minister's attention, and they are matters which are causing a great deal of anxiety to service personnel who leave the services. The first has to do again with this service pension. A young man serves for two or three years in the army, the navy or the air force and then he wants to get out. While he was in the service he was contributing to the pension fund. When he is discharged, he goes back to his own home town—it might be Windsor, Hamilton or Sydney, Nova Scotia—and he finds himself out of the service and without a job. He cannot find employment. The first thing he wants is a return of his pension contributions. There is generally a delay of anything from two to three months; and I have known some instances in which the delay was much longer than that. I cannot understand why that delay should occur. Before that man is discharged, his documents are all assembled in his military district, they are all in one file and they come in to headquarters. I cannot understand why it takes two or three months for someone in the defence department to sit down, write out a sheet of paper saying that his account is closed and send him whatever money is coming to him. He is waiting for that money and he has not a job.

Again, in that connection, there is the question of unemployment credits that accrue to a member of the forces while he is in the service. Hundreds of service personnel are coming out of the service month by month and today they are not walking out to jobs. For the last year there has not been any work for them, at least in the part of the country from which I come. When they report to the unemployment insurance officer they are told, "We cannot do anything for you by way of paying unemployment insurance until we get your credits from Ottawa". Then you have the same old story again.

When the man is discharged from the services he has three departments to contend with in dealing with unemployment insurance. He has to contend with the defence department and the Department of Veterans Affairs and, in the final analysis, the thing has to go to the Department of Labour. I have had the thing worked out for me. I have been working on this thing for some considerable time and I have had all the mechanics of it drawn up in a blueprint. In handling it as a routine matter, as is done today, the results are unsatisfactory. Unemployment is becoming a most serious proposition for service personnel. Boys are coming back from Korea. Others are coming back from Europe. There is all the time a little line of service personnel coming out. It is a rather tough proposition to tell that to a young fellow who has just come back from Korea and who has been waiting for

a couple of weeks, probably, to draw unemployment insurance benefits and who has not a job. His pension contributions are tied up and he is waiting and waiting. It is no longer a routine matter. I know that with going from basket to basket, and everybody doing his little bit on it, day by day, it gets jammed up. But I believe that the defence department should allocate to some particular little group in the department the responsibility of handling that matter and that matter only, and that it should not be handled just as a sideline with a lot of other routine.

Then I think that in the Department of Veterans Affairs there should be some definite group or section with the obligation of taking care of that particular matter and clearing with the Department of Labour, just as expeditiously as possible, a release at least of the unemployment insurance. Then, of course, if it takes a little bit more time to straighten out the man's pay account, that is understandable.

This matter of establishing his unemployment insurance credits should not take very much time. It would appear to me, from the correspondence I have had and the delays there are from time to time, as though no one had been appointed in either department to do that particular job. I have been advised by the Department of National Defence that they have to go through three departments. I feel that the Department of Labour could handle the matter better once the service documents are cleared.

Those are the three grievances I wanted to bring to the attention of the minister. I hope he made notes of them and will not forget them. I hope he will do something about the case of the officer or member of the services who may die before he has served sufficient time to qualify for a pension. The present provision is not good enough. We are asking people to enter the service as a career, and it is not good enough to leave a man's family in the position of having to fight everybody in Canada in order to get a bite to eat, simply because something happened to him, in ten, twelve or fifteen years. It boils down to that now. I believe something should be done about it. I hope the minister will think about it. There are a lot of other small things with which we can deal as we go through the bill.

Mr. Campney: I well remember the first case mentioned by the hon. member. He brought it up last year, and upon making inquiries I found that under our act his estate was paid the maximum amount it could be paid. The real question is one of income tax, about which I would not volunteer an opinion. I can tell the hon. member that this type of case is again under review with the income tax people.

On the second point, having to do with the speedy return to a soldier who is demobilized of his contributions to the defence services pension fund, I agree that in the past there has been considerable delay, more delay than should be the case. I can assure the hon. member the matter has been given very serious study. We hope to make arrangements shortly which will make it possible to deal with these cases much more speedily.

With regard to the last matter the hon. member mentioned, I had not heard about it until the hon. member made his observation. I did not know of any delay on our part in respect of unemployment insurance contributions. I shall look into that.

Mr. Gillis: The roadblock may not be in the Department of National Defence, but may be in the other two departments.

Mr. Noseworthy: I want to come back to two statements made by the minister. In the first place, he says there is no discrimination. I want him to remember this. It is only those who were in the permanent forces prior to June, 1944, whose pensions are subject to that one-third reduction. If they joined the forces after June, 1944, and are compulsorily retired after they have served ten years, they are not subject to that one-third reduction; at least that is the information I was given at headquarters.

Then, the minister claims that these men were given a choice of retiring under part IV or part V. These men were compulsorily retired, and their choice was either to retire or to revert to the rank which they held before the war and continue in the service at that rank. They had either to retire or to forgo the rank to which they had been promoted during the war. The fact remains that there is this difference. A man who was in the forces before the war requires eighteen years in the service to receive the same pension as a man who joined the forces after June, 1944, who serves twelve years. There is a difference of six years between the two men.

Mr. Campney: The hon. member disagrees with me, Mr. Chairman, in my statement that, as of now, people coming into the service and retiring with less than 20 years' service get a one-third reduction on their pension until they are 65 years of age. This is so, and has been so according to

my information since December 31, 1948. In the intervening period between June 1, 1944, and December 31, 1948, a period when we were seeking senior officers because of the rebuilding of the permanent forces, what the hon. member said would be true. Since December 31, 1948, all those who entered the service are in the position that I stated, namely, that if they retire with less than 20 years' service their pension is reduced by one-third until they are 65 years of age.

Dealing with the question of the right of election to revert to a different rank or be compulsorily retired, each case has to stand on its own merits. I do not think anyone could make a general statement covering all cases.

Clause agreed to.

On clause 2—*Service.*

Mr. Pearkes: This clause refers to certain officer personnel who were serving on a full-time basis with the reserve forces and were then taken into the regular forces. It enables them to count the time spent in the reserve forces for pension purposes; that is my understanding of the clause. I should like to ask, when will this provision come into effect? Will officers who have in the past been serving with reserve forces and who are now with the active forces be allowed the time they have already put into the reserve army? Will this apply to any personnel who may have left the service by now, and whose pension would be increased if they were allowed to count the time which they had spent with the reserve forces under the conditions set out in the explanatory note?

Mr. Campney: This section, Mr. Chairman, has a very limited application. As a matter of fact, it is not a general provision. It is being introduced to take care of the cases of 17 air force officers who are now in the regular service, and who had been doing full-time duty with the reserve. The provision contained in the act, and with which they must comply, is that they must have served at regular rates of pay in the reserve. These 17 men met all the qualifying conditions of service, but for some reason or other their pay was slightly under the regular pay so they would be ruled out unless a remedial amendment such as this were made.

In order to obviate making amendments to meet all these special conditions, the amendment seeks also to provide that conditions of service, rates of pay and so on may be regulated and dealt with by the governor in council.

[Mr. Campney.]

Mr. Pearkes: The minister has not answered my question. I know about these air force officers, but in order to take advantage of this section must the officer in question be actually serving at this time?

Mr. Campney: As of the date of assent to this bill.

Mr. Harkness: Would the minister tell us how many officers are presently affected or will be affected by the passage of this bill, and to what extent it is retroactive?

Mr. Campney: It is my information that it will not be retroactive, and that it will now affect only 17 Royal Canadian Air Force cases.

Mr. Harkness: It does not affect any army cases at all?

Mr. Campney: I understand that it does not.

Clause agreed to.

On clause 3—*Regulations.*

Mr. Pearkes: Would the minister explain subparagraph (b)?

Mr. Campney: As the situation stands at the present time, widows entitled to pensions must within four years pay full succession duties on the capitalized value of such pensions payable either to them or to their children. In practice this has obviously worked considerable hardship and has placed many widows and children in straitened circumstances, owing to the fact that they have had to anticipate getting the pension and in the meantime pay succession duties on it.

This clause seeks to give relief to such people by putting widows and children in practically the same position as they would be under the Public Service Superannuation Act. As I understand it, this would mean that the maximum amount of succession duties which could be paid from the pension fund would be the proportion that the value of the pension might bear to the remainder of the estate, and it would only be recovered from the widow or children, over such period of time as the pensioner might elect.

This clause if enacted would give relief to many widows and families who have experienced considerable hardship in having to anticipate their pensions by paying succession duties in advance.

Mr. Pearkes: I know there have been a great many cases where widows have suffered very severe hardship. Many have felt that these pensions, to which their husbands had contributed, should never be charged succession duties at all. While this measure

will bring a certain amount of relief, I am sorry the minister has not seen fit to go to the extent of removing these from succession duties. Will any rate of interest be charged on the amounts which are not paid?

Mr. Campney: I cannot give a categorical answer to that question, because it is settled from time to time in the Department of Finance. We do not have control over it.

Mr. Gillis: I agree with the hon. member for Esquimalt-Saanich that, while this is a step in the right direction, it does not go far enough. I agree that the charge of succession duties against the pensions of service personnel is something that should be reconsidered, particularly in respect of the capitalized value of the pension. Could the minister tell us the capitalized value of the pension of a sergeant who has been in the service for 20 years? Could he give us some idea of what the succession duties would amount to?

Mr. Campney: I am afraid there are too many imponderables involved to give a categorical answer. It would depend upon the life expectancy of the widow and of the children, the value of the estate over and above the pension and other differentials existing between people who might even be of the same rank, but have different rates of pay because of trade qualifications and so on.

Mr. Gillis: When the Department of National Defence agreed to this kind of assessment against a pensioner, it must have worked it out on some basis. Surely there is some actuarial basis for it. Could not the minister give an average case?

Mr. Campney: I could set up a typical case, have it worked out, and give my hon. friend the results—taking certain facts as basic. If he wishes, I would be glad to have that done and give it to him.

Mr. Gillis: Thank you, sir.

Mr. Pearkes: This regulation was brought in comparatively recently. It has not been in existence ever since the pensions scheme has been in vogue. There was a time, I believe, when pensions, to which personnel throughout their service had made contributions, were not charged succession duties; is that not correct?

Mr. Campney: If it is, I am not aware of it. However, I cannot say that it was not so in the past.

Mr. Pearkes: Perhaps the minister would look into it and satisfy himself as to why this was done.

Mr. Harkness: What is the purpose of subsection 2? Is it merely to ensure that the same service will not be counted twice for a pension under different parts of the act? If not, what is the purpose?

Mr. Campney: The hon. member's understanding is correct.

Mr. White (Hastings-Frontenac): When the minister refers to succession duties under subparagraph (b), would they apply to succession duties payable to a province in which such duties are collected?

Mr. Campney: Yes.

Clause agreed to.

On clause 4—

Mr. Harkness: I do not understand the meaning of the words in line 30, "other than the forces". The clause contains these words:

—any continuous period of full-time service of six months or more in the naval, army or air forces of Her Majesty raised in Canada other than the forces—

And so on. What does this mean?

Mr. Campney: "Forces", under the interpretation section of the act, means regular forces.

Mr. Harkness: Then this refers to some sort of continuous service in the reserve forces?

Mr. Campney: That is so.

Clause agreed to.

On clause 5—*Widow's pension to be resumed.*

Mr. MacLean: Subsection (1a) provides that the pension of a widow who subsequently remarries shall be reinstituted after the death of her second husband. What is the position if the second husband is in receipt of disability pension? The widow in those circumstances would receive pension after the death of her second husband, on account of his war service. Would this not mean that the pension receivable on account of her first husband would be reinstituted, and in that event she would be receiving both pensions? That is how it would appear.

Mr. Campney: Under the circumstances outlined by the hon. member she might conceivably under this clause receive two pensions, one from disability, and the other the earned pension of her husband. This clause seeks merely to correct a situation where a widow has remarried and her second husband has died. She could not as the act stands resume her service pension under such circumstances. This clause would make it possible for her to do so.

Mr. Pearkes: What happens if her second husband is a serviceman? Will she be entitled to two pensions, then?

Mr. Campney: The hon. member raises a question that might be looked into. I cannot answer it now categorically.

Mr. Pearkes: This is rather serious. I am not joking. I am referring to the case where a widow of two service personnel is entitled to a pension. She is twice a widow. According to my reading of this act she would be entitled to two pensions, one for each of her former husbands.

Mr. Campney: Perhaps we will not finish this bill by six o'clock. I suggest that this section stand, as I would like to look into the observations of the hon. member.

Clause stands.

Clauses 6 to 9 inclusive agreed to.

On clause 10—*Definition of "persons accompanying Canadian forces".*

Mr. Mitchell (London): I should like to point out one fact which arises as a result of this new section, namely, that wives now become in fact service personnel and are subject to the provisions of the National Defence Act. By their very nature, and for very good reasons, the provisions of this act provide more severe penalties than are provided for comparable offences in ordinary civil life, and in a good many cases constitute as offences acts which are not offences in our normal civil life. One example which I might point out is under section 74 where a widow or other dependent living in accommodation which is provided, as is now the case on many stations, might refuse the lawful order of the commander of the area to leave the accommodation and thereby be subject to a term of imprisonment for life or to less punishment. The mere fact that there is a two-year limit indicates the seriousness of the punishment which she might suffer.

The second point on which I should like some information from the minister is one which raises the whole question of the position in which not only service personnel themselves but their dependents will find themselves with relation to the law of countries in which they happen to be stationed, and I have no doubt that there are different situations in different countries. Perhaps they might find themselves in one position in France. It might be quite different in Germany. What are the provisions for dealing with service personnel and their dependents by the civil and criminal courts in those countries? Those who served throughout the last war will recall that in the United Kingdom many offences were dealt with by the civil authority, and some were dealt with by military authority. However, that was not the case in Italy and Germany nor, so far as I am aware, in France. Will the minister explain what the position will be with respect to those various countries?

Mr. Campney: Perhaps it would be helpful to hon. members if I did make a short statement on the status of Canadian forces serving abroad. Let me first deal with Germany. The Canadian forces serving in Germany, their dependents and other civilians in the services of or attached to them, have, by the law of the allied high commission, the same privileges as the occupation forces of the United Kingdom, the United States and France. This being so, they are not subject to the criminal jurisdiction of the German courts.

When the arrangements come into effect whereby West Germany will regain almost complete sovereignty, the status of Canadian personnel will undergo a change. The German courts will then have jurisdiction in criminal matters, but only in cases where Canadian military tribunals have not by the law of Canada been given jurisdiction.

As regards France, Belgium and the United States, the NATO status of forces agreement now applies to our forces in these three countries. Under that agreement Canada has the primary right to exercise jurisdiction over members and civilian employees of the Canadian forces in those countries in relation to: (a) offences solely against the property or security of Canada; (b) offences solely against the person or property of another member or employee of the Canadian forces; and (c) offences arising out of any act or omission done in the performance of official duty.

Canada has no primary right to exercise jurisdiction over dependents, but may request these countries to waive their right to exercise jurisdiction, and they are bound by the agreement to give sympathetic consideration to such a request.

With respect to the United Kingdom, until the United Kingdom ratifies the NATO status of forces agreement, the status of Canadian forces in that country will be governed by the Visiting Forces (British Commonwealth) Act, 1933. Under that act Canadian service courts and authorities may exercise within the United Kingdom, in matters concerning discipline and the internal administration of the Canadian forces, all the powers conferred upon them by the law of Canada. Criminal courts of the United Kingdom have the right to try members of the Canadian forces, their dependents and other accompanying civilians for any offence against the criminal law of the United Kingdom.

As regards Japan, an agreement has been concluded recently with Japan regarding the criminal jurisdiction over United Nations forces there. The provisions of this agreement are nearly identical with the criminal jurisdiction provisions of the NATO status of forces agreement. Jurisdiction vests concurrently in the Japanese courts and in the Canadian service tribunals, Canada having the primary right to exercise jurisdiction in relation to certain offences, and the Japanese courts having the primary right in relation to others. Japan has agreed to give sympathetic consideration to Canadian requests that Japan waive its primary right to exercise jurisdiction in cases where Canada considers such waiver to be of particular importance.

If it is the wish of hon. members I can supplement this with a short statement on the purport of section 10, based on that background.

Some hon. Members: Six o'clock.

Mr. Harkness: You had better do it after six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The Deputy Chairman: We are on clause 10.

Mr. Campney: When the committee rose at six o'clock I indicated that I would like to make a short statement on clause 10 which I thought might be helpful because the subject matter is something that arises out of our attempt to keep abreast of developments in foreign countries and our relations under NATO with the jurisdictional systems of those countries.

Before I make this short statement I should like to say first that the fact of making dependents subject to the military code, as this section does to some degree, does not in any sense create a relationship in its normal sense under which a wife or a child would be obliged in any way to comply with ordinary military orders in the same sense as the husband or father would. In other words, the clause would not make a dependent achieve anything like the status of an officer or man. This clause really sets out the conditions under which persons accompanying our forces may be subject to the code of service discipline, with the exceptions I have mentioned, or the reservations I have noted.

The National Defence Act now provides in section 56 that a person who accompanies any unit or other element of the Canadian forces that is on service or active service in any place is subject to military law.

Under Canadian and also under British and American military law, civilians accompanying the armed forces when engaged in active operations have always been subject to military law. One of the reasons for this is that the forces are often operating, particularly in time of war, in areas where civil courts and authorities are non-existent or unable to act. It is obviously essential that persons accompanying the forces should be subject to some law at all times. Furthermore, the inherently dangerous nature of military activities makes it essential that close control be exercisable by the military authorities over all persons participating in those activities.

Clause 10 limits and defines the conditions under which civilians who accompany the forces are to be subject to service jurisdiction. The provisions of the clause other than those dealing with dependents out of Canada do not extend but rather limit the jurisdiction that might be exercised by the services over accompanying civilians.

Clause 10, if enacted, will make dependents who are living abroad with their husbands or fathers subject to the code of service discipline under such conditions as may be prescribed by the governor in council. It is desirable that such dependents should be made subject to the code of service discipline, as under arrangements that Canada has made with the governments of certain countries in which our forces are stationed they may thereby be wholly or partially exempted from the criminal jurisdiction of the courts of those countries.

Under the new clause such dependents must be tried by a special court presided over by a Canadian judge or member of the Canadian bar and other civilians subject to the code may be tried by this special court. It is possible to make trial by the special court mandatory for dependents because it is anticipated that dependents would not be present in a theatre of active operations. In so far as other civilians accompanying the forces are concerned, the legislation must be suitable for war conditions when it would not be practical to have a special court, and in this case such civilians would in all likelihood be tried by military courts.

It is not intended that the services will in fact exercise jurisdiction over civilians unless it is absolutely essential or in the best interests of the civilians themselves that they do so.

Within Canada the civil courts, by virtue of the National Defence Act, will continue

to be supreme and have the power to supplant the jurisdiction of service courts and themselves to try persons accused of any offence against the criminal law of Canada.

This legislation is being introduced at the present time as it is important for the protection of dependents and other civilians accompanying the forces abroad that the extent to which they are subject to Canadian jurisdiction be clearly defined. In other words, we are trying to create the necessary machinery to exercise maximum jurisdiction under all existing agreements and laws that we can acquire to ourselves in regard to our people abroad.

The arrangements made by Canada with a number of the countries in which our forces are or may be stationed enable Canadian criminal law and procedures to be applied in respect of persons accompanying our forces as an alternative to having the criminal law and procedures of the country in which an alleged offence has been committed applied. In order to secure the benefits of these arrangements we must not only be in a position —I think this is the important fact about this clause—to exercise effective jurisdiction over such persons but it must also be clear to the authorities of the foreign country that we have and can exercise such jurisdiction. Clause 10 is designed to accomplish this.

Mr. Mitchell (London): Mr. Chairman, I want to thank the minister for the statement he has made. There are one or two things arising out of the statement on which I would like to have further clarification.

The first point that occurs to me is that we are primarily interested, not in the country or the inhabitants of the country in which our troops may be serving but in protecting our men and their dependents who are serving in that country. I ask the minister to consider whether or not it might be advisable to give a right of election as to the manner in which a service man or his dependents would be tried. By so doing we could ensure that our people who are suddenly thrust into a mode of living or a code of ethics which is foreign to them may be sure that the offence which they are alleged to have committed is looked upon as we would look on it here. That is the first point I would like the minister to elaborate.

The second is that having included the dependents of servicemen under our service code we must admit that the dependents in many cases will be women. Have the necessary arrangements been made so that dependents convicted of an offence may serve out whatever punishment may be meted out by our courts?

[Mr. Campney.]

The minister has indicated that we wish to retain control over our servicemen and their dependents, and that therefore it is highly desirable that wherever possible they be dealt with by our courts and subjected to punishment meted out by our courts. For that reason I would ask him to elaborate on the statement which he has made as to the manner in which these servicemen or their dependents will be dealt with when convicted.

Mr. Campney: Mr. Chairman, dealing with the first point raised by the hon. member, I do not think it would be practical to provide a right of election for each individual who may be dealt with under this section. Except in Germany where we have assumed jurisdiction under terms governing the occupation forces, but which probably will not continue after this year, these matters are handled in accordance with such international arrangement. We have arrived at the position where we feel they would be sympathetically dealt with by these nations. It is after all a matter between governments, and if you were to transfer the right of election of every individual I do not think that would be realistic or practical.

The second question related to the problem of how we would deal with dependents who had been convicted under this procedure. May I just interject that I do not think there would be any intention of using this procedure in regard to petty offences, such as traffic offences, and so on. It would only be used in serious offences, carrying a period of imprisonment or something of that nature. I think that in such cases I am right in assuming that persons so convicted would be brought to Canada to serve their sentence.

Mr. MacLean: In that connection I was wondering what provision is contemplated in the case of the dependents of a man, for example, who might be posted from one unit to another and from one area to another. One of these dependents may be more or less an habitual offender. The serviceman, whose dependent the offender is, might be posted to a new unit. In a case of that kind what record of previous offences would be available? In other words, has provision been made for a conduct sheet for dependents, or something of that nature?

Mr. Campney: In answer to that, I would simply reiterate what I said a moment ago, that this procedure would not be utilized in the case of minor offences. If it were a serious offence and the dependent were sent back to Canada the record for that person would of course be available.

Mr. MacLean: Mr. Chairman, I have two or three questions I would like to put to the minister and perhaps I can put them all at once. First, I am thinking of the case of personnel attached to the services in Canada who are not dependents. I have in mind, for example, personnel who might be attached to the services from the national research council, or the defence research board, or organizations of that sort. What is their position?

My second question is this. Would the minister be good enough to make a statement indicating the position of personnel and their dependents who might be attached to the American forces stationed at bases in Newfoundland? As the minister knows, these bases in Newfoundland were granted to the United States forces before Newfoundland entered confederation. Have we the same jurisdiction there as we would have at any other station in Canada?

My third question is this. Is there still a distinction between types of courts-martial? I notice, for example, that the bill specifies general court-martial in every case. I am wondering why that is necessary. If there are still district courts-martial why could they not deal with minor offences committed by dependents?

Mr. Campney: In answer to the hon. gentleman's first question, I would say that the act does not apply to dependents in Canada under any circumstances.

Mr. MacLean: No, not dependents; I understand that.

Mr. Campney: As regards the second question dealing with Canadians attached to American forces in Newfoundland, they would be subject to Canadian law and would be tried under Canadian law.

As regards courts-martial, there are two types. The first, known as disciplinary courts-martial, deal with lesser offences to which this section would not be applied, and the second, known as general courts-martial, deal with serious offences.

Mr. MacLean: In connection with paragraph (a), I understand that civilian personnel attached to Canadian forces may or may not be in Canada. I am not referring to dependents but employees attached to the forces.

Mr. Campney: I think the short answer to that would be that, where circumstances permit, such persons would always be tried under Canadian civil law.

Mr. Harkness: Mr. Chairman, I suppose the only practical experience any of us here have had of dependents accompanying the forces was in England during the last war when the wives of men serving in the forces stationed in England generally took houses in places where their husbands were stationed. These people were all dealt with under British civil law whenever any offences were committed. But what will be the situation of, for example, our air force squadrons stationed in Great Britain at the present time once this act is passed? Will it mean that in places such as Great Britain these dependents will then come under military law rather than British civil law, with of course its right to jury trial, and so forth, which they would lose if they came under military law?

Mr. Campney: Generally speaking this procedure depends on the sympathetic consideration of the other nation concerned and its agreement to grant us jurisdiction. Speaking for myself, I would not think it likely that in Great Britain, from whom we have inherited our jurisprudence, we would ask permission to put this clause in operation. As I understand it, this procedure is not set up for the purpose of acquiring jurisdiction generally but, rather, so that we can acquire it in countries where we believe, in the interests and for the protection of our own people, we should have it.

Mr. Harkness: The point I was getting at is this. Once this act is passed does it become the universal rule? I understand from what the minister has said that in Great Britain this would not be applied and dependents of servicemen would continue to be tried in the ordinary civil courts. I suppose the same would be true in places such as New Zealand and Australia and so on. But I am not quite clear from the minister's remarks whether that is going to be the case generally. I believe it is preferable that these dependents should be tried in civil courts in such places. But I am not quite clear whether, if this act is passed, it will be obligatory that they be tried before a military court.

Mr. Campney: It would not be obligatory at all. It would be necessary for us to seek jurisdiction and have an agreement to that effect, but it is likely that such jurisdiction would not be sought in the circumstances mentioned by the hon. member because of the basic similarity of our systems.

Mr. White (Hastings-Frontenac): I would like to point out to the minister that in clause 10 it states:

> . . . that dependents who are subject to the code of service discipline must be tried . . .

That would appear to contradict what the minister just said.

Mr. Campney: That wording means that if a dependent is going to be tried by military

law he must be tried by a special court consisting of a Canadian judge or Canadian barrister of ten years' standing. In other words, there are certain classes, as the hon. member will notice, who must be tried—if they are going to be tried under the code of service discipline at all—by a civilian judge or barrister.

Mr. Harkness: When we come to the latter part of the clause we find that it says that these various persons are to...

. . . be tried by a general court-martial consisting of a person, designated by the minister, who is or has been a judge of a superior court in Canada, or is a barrister . . .

And so on. I presume that that person will, in most cases, be the judge advocate? Is that the intention?

Mr. Campney: No.

Mr. Harkness: Or is it intended to appoint special people?

Mr. Campney: It is intended, if it be a judge, that he would be a civilian judge, or a civilian barrister. The idea is to bring the civilian judge or barrister into cases of that category.

Mr. Harkness: In other words, the intention is to appoint special people to act as judges in those courts and not to use members of the judge advocate general's branch for the purpose?

Mr. Campney: That is correct.

Mr. Harkness: I presume that again means a considerable increase in expense or cost of handling these matters?

Mr. Campney: From such study as we have been able to make and from observations made throughout the service, we do not anticipate a great number of these cases. This is a saving clause rather than a clause under which we think there will be a vast number of cases. Under the circumstances, I would not think that the need for this type of trial would arise very often.

Mr. Mitchell (London): I have two questions arising out of the remarks made by the minister. What is the right of appeal, if any, from the decision or sentence imposed by this court? The second, and perhaps more important matter, is this use of the words "sympathetic understanding". I do not think any of us in this committee are too much worried about the understanding that we would receive from the civilian authorities in the United Kingdom or, perhaps, those in France; but we may be considerably worried about the nature of the sympathetic understanding which we would receive from some of the other continental countries who live under an entirely different code. For that reason I reiterate that something further should be done to define the rights of one of our citizens serving abroad to be tried by our courts, except perhaps for capital or similar offences.

Mr. Campney: As to the first question asked by the hon. member, an appeal would lie from any of these courts-martial to the court-martial appeal board, and, in some cases, with the final appeal to the Supreme Court of Canada.

With regard to the second question, the NATO agreement among all the constituent countries applies. These decisions have to be arrived at by agreement. One country cannot assert jurisdiction in another country unless the other country is willing to allow it to do so. This term "sympathetic understanding" in connection with these matters is a part of the NATO agreement among these countries. All have agreed on that. A country cannot assert something that it really has no legal right to assert. One can get a great deal further, I am sure, by negotiation and by following the term "sympathetic understanding" than in almost any other way. All NATO countries are in that position, trying to work with each other.

Mr. MacLean: I am still not quite clear about what is meant by the explanatory note in connection with clause 10. It says that dependents who are subject to the military code must be tried by a general court-martial and other civilians may be so tried. What power has a commanding officer, if any, to deal summarily with minor offences committed by dependents at that station, perhaps in permanent married quarters in another country, something that has no direct concern with the civilian population of the country concerned at all? To all intents and purposes it is an internal thing as far as the unit is concerned. What is the position of the commanding officer as to his powers of discipline or punishment of the dependent?

Mr. Campney: He would have no jurisdiction whatever over any dependent.

Clause agreed to.

On clause 11—*False answers or false information.*

Mr. Harkness: What is the reason for making this addition to this clause? In other words, why does the clause need enlargement? Has it been found that, as it stands, it has not been able to meet the need? The chief false information, of course, which is given by anyone at the time of enlistment

is generally with regard to age. People state their age as being less than it is or more than it is in order to be enrolled. Is there some other sort of information which the present clause is not able to deal with and to provide punishment for offences?

Mr. Campney: This amendment is designed to provide for a case where a candidate for enrolment submits a false certificate of qualification as to trade or profession, or some document that purports to qualify him in some branch of professional life, and where such document proves to be false. I think the act, as it is drafted, without this slight amendment, would not cover that case.

Mr. Dinsdale: I notice that paragraph (b) of section 112 states: Every person who knowingly...

(b) furnishes any false information or false document in relation to his enrolment, is guilty of an offence and on conviction is liable to imprisonment for less than two years or to less punishment.

Very often this situation results from falsification of age and so forth. What sort of punishment is handed out in the case of a false statement with regard to age or false documentation with regard to age?

Mr. Campney: I would think that the punishment should fit the crime. If it were a minor thing, the punishment would be light. If it were a major matter, such as something touching the root of his attempt to join the forces, it would be more severe. I might point out that this amendment applies only to a person who knowingly makes a false certificate. It is not wide open. It is applicable only if he deliberately and knowingly presents a certificate which service authorities would have a right to rely on, in considering whether he should or should not be accepted.

Mr. Dinsdale: In that case he might be liable to two years' imprisonment?

Mr. Campney: That would take care of the worst case, where the circumstances were very serious and it would run from there to any lesser punishment that the presiding judge would think suitable for the offence.

Clause agreed to.

On clause 12—*Conspiracy.*

Mr. Harkness: It seems to me that this clause is going to make liable to quite a heavy term of imprisonment, namely seven years, people who have committed really very minor offences. The old section said "conspires with any person to commit any indictable offence". That phrase is removed and the clause we are now being asked to pass just says "conspires with any other person... to commit an offence under the code of service discipline". It might be simply that two or three people get together in order to cover up the absence without leave of another member of the unit, or something along that line. That is the sort of thing which frequently happens. Nevertheless, although that is a comparatively minor offence, a person would still be subject to this seven years' imprisonment. It seems to me that it might have been wiser to leave the provision in the form in which it was, rather than to make such minor things as getting a few extra rations out of the cookhouse, or a new overcoat, matters of conspiracy. Then, a man would come under this particular section.

Mr. Campney: May I correct the hon. member. The reference he made was not to the old act but to the Criminal Code. Under our code of service discipline there are no indictable offences. What this clause seeks to do is to parallel the Criminal Code. It would make the punishment as in parallel offences under the Criminal Code run from seven years down.

Mr. Harkness: The point is that the Criminal Code always applied to members of the armed forces, so you could try a man by court-martial for any infringement of the Criminal Code. While this section was part of the Criminal Code, it was still part of the code of service discipline and a man could be tried under that section for conspiracy.

Mr. Campney: But that applied only to a man conspiring to commit a civil offence. This section as it applies to the armed services extends the law to cover conspiracies to commit service offences.

Mr. Harkness: The point is that this provision of the Criminal Code is still going to be applicable. The passing of this new provision which we have in clause 12 is not going to remove this section of the Criminal Code dealing with conspiracy. It will still be an offence for which a man may be tried. In other words, you are going to have two types of conspiracy, so far as the services are concerned, for which a man might be tried.

Mr. Campney: This section, as I said, is only inserted in the bill for the purpose of dealing with conspiracies to commit service offences. The Criminal Code is not being ousted, because it deals with civilian offences. I do not think there is any clash as between the two.

Clause agreed to.

Clauses 13 and 14 agreed to.

On clause 15—*Restitution of property in case of conviction.*

Mr. Mitchell (London): Having looked at subclause 2, it would appear that a person having been acquitted is, nevertheless, found guilty—that is until you read subclause 3. Subclause 3(a) is understandable, but I would ask the minister if he would be good enough to give us illustrations of how subclauses 3(b) and 3(c) apply.

Mr. Campney: I am informed that these two subclauses are both paraphrases of similar provisions in the Criminal Code. They have been there a long time and have worked. I cannot, offhand, give examples of each of them, but the same provisions exist in the Criminal Code, and we are trying to bring this act into line.

Clause agreed to.

Clause 16 agreed to.

On clause 17—*Claims against associated states.*

Mr. Mitchell (London): By clause 17 the government is accepting liabilities which, presumably, it would not otherwise have. Some arrangement must have been made with the other countries subscribing to the North Atlantic treaty. Will the minister advise us as to the terms of any such agreements, and as to whether or not the government of Canada, having accepted the liability, will be reimbursed for any amount that might be paid under this provision?

Mr. Campney: This clause is inserted in the bill to implement the NATO status of forces agreement, which has already been approved by this parliament, and thus put the crown in a position to carry out its undertaking.

In answer to the hon. member's second question, I would say that in cases of other nationals who are here in their services, the nation concerned with the national here would pay 75 per cent of the sum that might be awarded in damages, and we would pay 25 per cent. This is applicable among all the NATO nations, so the same condition would apply as between any two NATO countries. It is a general agreement under the NATO status of forces agreement.

Mr. Mitchell (London): So a Canadian soldier driving a Canadian vehicle in the United States would be covered by the same arrangement that applies to visiting forces here?

Mr. Campney: That is correct.

Mr. Fraser (Peterborough): If a Canadian soldier were driving a Canadian vehicle while he was not on duty, would the crown still be responsible?

[Mr. Campney.]

Mr. Campney: No; it is my understanding that if a soldier is driving a government vehicle while not acting in the course of his employment he is personally liable.

Clause agreed to.

On clause 18—*Days on reserve force service not computed.*

Mr. Knowles: I would suggest that clause 18, like others in this bill, underlines the point that some of us have tried to make on a number of occasions. The member for Esquimalt-Saanich tried to make it again today. Confusion does arise from this way of amending various statutes. So far today, in this one bill, we have dealt with clauses amending four different statutes. Now we have come to another. In the case of this clause it is proposed that a section of the Senate and House of Commons Act should be amended. It seems to me to be particularly inappropriate that this should be done in this way at this session, bearing in mind the fact that a few days ago we had before us another bill amending the same statute. I understand that bill went through the other place very quickly—only thirty-one minutes for the entire debate on second reading, according to reports.

However, the point I wish to make is that when the Associate Minister of National Defence suggests, in defence of this way of doing things, that it is a matter of interest to members of the defence forces to have all amendments affecting those forces in one place, that argument is set aside by this case. It is proposed by clause 18 of this bill to amend section 37 of the Senate and House of Commons Act. I have before me the Senate and House of Commons Act, and I find that section 38 also refers to members of the defence forces. When you go through these acts you find, as we have claimed on a number of occasions, that these various amendments are scattered all over the place. Whether you are an ordinary person or a lawyer looking for the law under one heading, or whether you are a defence person trying to find out what affects defence personnel, it is rather unsatisfactory to have to look all over the place.

I assume that when an office consolidation of the Senate and House of Commons Act is made, for example, it will include the changes made by Bill No. 171 and it will include changes made by the clause now before us. But it did occur to me that this was a point where one might draw the matter to the attention of the government again, with a view to suggesting that in future, when amendments are necessary in respect of these

various matters affecting defence legislation, it might be done by way of amendments to the specific acts themselves, rather than by these omnibus Canadian forces acts.

Mr. Churchill: Mr. Chairman, I should like to add my protest to those of the hon. members for Esquimalt-Saanich and Winnipeg North Centre. I think this is a most unsatisfactory way in which to deal with amendments to a number of acts. Even here in committee, with deference, Mr. Chairman, we pass from one act to another, without even a pause.

If we must be compelled to have a bill of this nature placed before us, then at least when we pass from part I to part II or from part III to part IV there should be a chance for us at least to turn up the other act to which we have to make reference, and also a chance for the minister to make a statement with regard to the change he is proposing.

I think this is a disorderly way of conducting business, when we have placed before us an omnibus amending bill of this nature. Having said that, I wonder if the Associate Minister of National Defence would make a statement with regard to part IV.

Mr. Campney: This amendment was introduced owing to the fact that the section dealing with military service, as affecting members of parliament, dealt only with the army and attendance at regularly organized militia camps. It was antiquated, because its application was only to the army. The purport of this particular clause is to make the same provision for the three services—the army, the navy and the air force. Secondly, the intention is to make the clause apply to any training authorized by regulation or made under the National Defence Act.

In other words, it is an attempt to cover all the services, and to modernize the terminology as to when a member of parliament may take his place in any of the services without being penalized under the Senate and House of Commons Act.

Mr. Churchill: I thank the associate minister for his statement. This constitutes an orderly approach to part IV, and has given us time to catch our breath. I notice the associate minister said that the clause is now applicable to the three services. Then he said, I believe, that it modernizes the wording as to procedure. In my opinion however this modernization is done in such a way that it makes it very convenient for a reserve officer who happens to be a member of the House of Commons to undertake service duties that might not be of great importance and yet, by virtue possibly of some minor duty, the member would find himself not obliged to report his absence from the house.

The non-modern version which the minister is replacing reads as follows:

> In the calculation of any deduction from any member's sessional allowance on account of absence, days which were spent by such member on duty with his corps in a regularly organized militia camp or in travelling between Ottawa and such camp shall not be computed.

When we look at the proposed new section we see that it reads in this way:

> In the calculation of any deduction from any member's sessional allowance on account of absence, days that were spent by such member on service as an officer or man of the reserve forces while on any training or other duty authorized by regulations or orders made under the National Defence Act shall not be computed.

I think there is a very great difference in these. Other hon. members who are with the reserve forces may have a different opinion from mine, but as a member of the reserve army I think this is giving an unusual privilege to a member of the House of Commons. I can quite understand attending a camp or organized specific training for a period of ten days or three weeks, where one's absence might be essential, for the sake of the unit to which he was attached.

However, as I read this clause it seems to open the door for claiming service for rather minor bits of duty. The expression is—

> —on service as an officer or man of the reserve forces while on any training or other duty authorized by regulations or orders made under the National Defence Act—

And so on. I submit to the associate minister this problem: If I, as commanding officer of No. 108 manning depot in the city of Winnipeg, found that it was necessary for the unit to have a parade on Monday night of each week, would it be satisfactory if I left here on Friday night, attended the parade on Monday and then made my way back to Ottawa, arriving here on Wednesday?

Mr. Knowles: Or Thursday, the day the Toronto boys are leaving.

Mr. Churchill: It would make a short week of attendance in the House of Commons, and I would have to give a move of that kind very serious consideration.

I put this further problem to the associate minister: let us suppose that, according to regulations concerning training authorized by the department, as an officer in a reserve unit I might find it convenient to attend a course here in Ottawa, or to become attached to some course to which I had not been posted, or if for purposes of training I visited some other unit in the neighbourhood, or in

some other province, would that constitute one of these days of permissible absence from the House of Commons?

I think the clause opens the door wide. I would not begin to set out the number of things that might occur to other people—and of course I do not mean hon. members who are now in the house. But these few matters have occurred to me at this time.

I doubt the wisdom of this modernization, as the associate minister has described it. Why not make some restriction? If it is for some course of training that is of major importance, then I think it would be perfectly satisfactory. If it permits a member of the house, who is also serving in the reserve forces, to absent himself for minor service duties, then I think it is unwise.

Clause agreed to.

On clause 19—*Special provisions respecting pensions.*

Mr. Pearkes: Will the minister make a statement on this part V?

Mr. Campney: A number of persons enrolled in the special force for 18 months' service. Some have now transferred, or re-enrolled in the regular force, and it is felt that such persons should be able to count their time in the special force for all purposes under the defence service pension. This would enable them to do so.

Mr. Pearkes: I think that is a wise provision. Does the service have to be continuous? Does the man concerned have to re-enlist in the regular forces immediately after his release from the Canadian forces special force?

Mr. Campney: No; there could be a hiatus.

Mr. Pearkes: Is any time limit set?

Mr. Campney: No, there is no time limit.

Clause agreed to.

On clause 5—*Widow's pension to be resumed.*

The Deputy Chairman: This clause was allowed to stand.

Mr. Campney: I have to pay a tribute to the discerning eye of the hon. member for Esquimalt-Saanich in that he established the possibility that some fortunate or unfortunate widow might marry and remarry a series of servicemen and accumulate a number of pensions. I have to modify slightly my admiration of him for bringing up this point because I find on looking into the matter that in parts I to IV of the Defence Services Pension Act the governor in council has authority to meet the situation to which he refers. I should like to ask my colleague, the Minister of National Defence, to move an amendment which would make this clause conform to the parallel section in parts I to IV. The amendment I ask him to move reads as follows:

Strike out all the words in line 38 and substitute therefor the following:

"(1a) Subject to regulations made by the governor in council, where payment of any widow's pension under."

Strike out the word "shall" in line 41 and substitute therefor the word "may".

So that the subsection will now read:

Subject to regulations made by the governor in council, where payment of any widow's pension under this part has been discontinued by reason of her remarriage and she again becomes a widow, payment of that pension may, to the extent that she is otherwise entitled under this part to receive the same, be resumed.

Mr. Claxton: I move accordingly.

The Deputy Chairman: Shall the amendment carry?

Mr. Pearkes: This statement covers the point that I raised. I do not want to be accused of robbing the widows, but I had genuine concern for the servicemen. I had to think of the possibility that perhaps at some future date a female Bluebeard might have married an elderly general after an elderly general in order to pile up pension after pension. It was more than I could bear.

Mr. Knowles: Why the reference to a general?

Amendment agreed to.

Clause as amended agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Applewhaite): When shall the bill be read a third time?

Mr. Knowles: Next sitting.

The Acting Speaker (Mr. Applewhaite): Next sitting of the house.

VETERANS BENEFIT ACT

PROVISION OF VARIOUS BENEFITS TO MEMBERS OF ARMED FORCES

Hon. Hugues Lapointe (Minister of Veterans Affairs) moved the second reading of Bill No. 101, respecting benefits for members of the Canadian forces.

Mr. Brooks: Will the minister make a further statement?

Mr. Lapointe: Mr. Speaker, in explaining the purpose of the proposed bill I should like to be permitted to review very briefly the action which has been taken by this

parliament since the outbreak of the Korean hostilities in 1950, in order to entitle Canadians who served with the United Nations in these operations to appropriate veterans benefits and privileges.

On April 4, 1951, as hon. members will recall, I explained that the legislation which was being introduced at that time—that was the Veterans Benefit Act of 1951—would not include all the benefits given to veterans of world war II. The situation then was very far from being static, and the government felt it advisable that some degree of flexibility and elasticity in regard to benefits to members of the special force should be maintained, and that legislation in regard to certain of the benefits should not be placed permanently on the statute books until such time as we had a much clearer picture of the situation.

As I said, this statement was made on the introduction of the Veterans Benefit Act of 1951. This act was extended in 1952 and in 1953 by two short acts. The Veterans Benefit Act of 1951, as the house will recall, entitled the veterans of Korean operations to certain benefits, while as regards other benefits the act authorized the governor in council to grant entitlement by order in council. Generally speaking, this flexible arrangement followed the practice in developing veterans legislation during and after world war II.

Now, the fighting in Korea having ceased, it seems appropriate to enact legislation in a form which, if it cannot be described as final, is as much so as any veterans legislation can be. That is, it is intended to meet present needs of the veterans in these operations for rehabilitation compensation for disabilities and other social protection established as a result of experience acquired during the last two world wars.

In considering the present bill, Mr. Speaker, it should be remembered that while in 1950 a group of men was specially enlisted for the Korean operation in what was called then the special force, over the whole period of the operations the majority of those serving in Korea were men on a regular engagement; that is, members of the regular force. A large number of these remained in the service. The rehabilitation problem is in many respects different in its nature and scope from that which followed world war II.

The bill which hon. members have before them for consideration covers all the legislation pertaining to Korean veterans. That is, it re-enacts in statutory form all the legislation passed by order in council under the authority of the Veterans Benefit Act relating to Korean veterans with the exception of war veterans allowances which was made available in 1952 when the War Veterans Allowance Act itself was amended.

After world war I and world war II, cut-off dates were established for the various types of benefit after which time service did not entitle a man to the particular benefits. In connection with the Korean operations the cut-off date set for all benefits is October 31, 1953. This was announced to the house during the session of last fall. To be eligible for any benefit a serviceman must have served in or departed for a theatre of war prior to July 27, 1953, which was the date of the cease-fire, and the cut-off date is October 31, 1953. This is provided for in this bill.

As regards gratuities and re-establishment credits, under the Veterans Benefit Act, fifty cents per day is paid for each day's service in a theatre of operation, the same provision as for world war II. This forms the basic gratuity. A similar amount is available as a re-establishment credit. There has been no change in the principle of paying supplementary gratuities based on seven days' pay and allowances for 183 days of service in a theatre of operations, or a portion thereof, the same as applied during world war II.

Hon. members may be interested to note that as of December 31, 1953, gratuities in the amount of $5,165,396.11 had been paid to members of the forces who had served in Korea and to the dependents of those who died in service. Re-establishment credits in the amount of $3,283,786.50 have been set up for members of the forces with similar service. These credits average $175.67. In the same period a sum of $1,267,975.29 had been used by veterans as re-establishment credits.

The Veterans Rehabilitation Act has also been made available to Korean veterans. Entitlement to training follows the same general principles as after world war II. Training may be either vocational, undergraduate or postgraduate and an extension of the period of training normally equal to the period of service may be earned because of scholastic achievement. As of December 31, 1953, 36 veterans were taking vocational training; 45 veterans were taking university training; 73 veterans had completed vocational training; 3 had completed university training; 42 had withdrawn from vocational training; and 14 had withdrawn from university training. There is a provision in this bill for awaiting returns allowances identical with those that existed after world war II.

The provisions of the Pension Act have also been made available to Korean veterans by order in council. Hon. members may be interested in certain figures with regard to

special force pensions. As at December 31, 1953, there were 823 disability pensions representing an annual liability of $298,639; there were 117 pensions being paid to dependents representing an annual liability of $147,792; this makes a total of 940 pensions representing a total annual liability of $446,431.

The bill also makes available the benefits of the Veterans Land Act to Korean veterans and also the Veterans Insurance Act under the same conditions as they were made available to veterans of world war II.

The house will recall that right from the start of Korean hostilities means were taken to provide for the reinstatement in civil employment of Korean veterans, the same privilege as was enjoyed by the veterans of world war II. These provisions have been in force since hostilities started and I am pleased to be able to say that with the co-operation of employers there has not been one complaint brought to our notice of a Korean veteran not being reinstated in his civil employment.

The benefits of the Veterans Business and Professional Loans Act, which, as hon. members know, is administered by the Minister of Finance (Mr. Abbott), are also available to Korean veterans. Similarly the provisions of the Civil Service Act which give preference to veterans who have served in a theatre of operation are in effect for Korean veterans. The benefits of the superannuation act are also made available to those who have active service.

After world war II a system of unemployment assistance known as out of work allowances was in effect. This was supplemented by payments being made to the unemployment insurance fund. In the case of Korean veterans contributions are paid to the unemployment insurance fund on behalf of men who have served since July 5, 1950. If a member of the force has served for at least 91 days he is entitled to a minimum of 3 months' protection under that act. As of December 31, $1,303,254.60 had been paid into the unemployment insurance fund by the Department of Veterans Affairs on behalf of some 21,999 veterans. As I mentioned earlier, Mr. Speaker, the only remaining benefit which this act does not provide is the war veterans allowance and that is because it was made available by amendment to the War Veterans Allowance Act in 1952.

I believe I have covered the scope of this act, and in conclusion I wish to state that it is the intention of the government to bring down other veterans legislation during the course of this session, besides the two bills which now appear in my name on the order paper.

It is therefore proposed to set up a special committee on veterans affairs this session. I would suggest, and I am quite sure my suggestion will meet with the approval of hon. members, that this bill, when it has received second reading, as well as the bill which will follow, second reading of which will be moved by my parliamentary assistant, should be referred to this special committee on veterans affairs. There is as yet no notice on the order paper as regards the creation of this committee, but it should appear tomorrow in *Votes and Proceedings.*

Mr. A. J. Brooks (Royal): Mr. Speaker, I very carefully followed the remarks made by the minister and I was particularly pleased with his concluding statement. I think everyone realizes that the men who served in Korea are entitled to all the benefits given to veterans who served in the second world war.

I am not going to discuss their service particularly, except to say that it was as good as the service of the men who served in both world wars, and their conditions of service were undoubtedly just as hard and as difficult as any endured in either of these two wars.

The minister has given us a review of the benefits which have already been received by Korean veterans. These, of course, were made possible by the regulations under the bill known as the Veterans Benefit Act, 1951. The new bill, which will undoubtedly go before the committee, does not seem to me to require examination at any great length here tonight. I might say though, Mr. Speaker, that the announcement made by the minister that a veterans committee will be set up must come as a surprise, and a very pleasant surprise, to most hon. members of this house. I for one welcome the minister's announcement. I do not like to be one of those who say, "I told you so", but I will say that I did tell the minister when the resolution on Bill 82 was before the house that I felt a committee should be set up and that this bill, Bill 101, and also Bill 102, should be referred to a special committee on veterans affairs. But that was not my idea only, Mr. Speaker. That procedure has been advocated by hon. members in all parts of the house, and not only once but time and time again.

I and other hon. members have not only recommended that a special committee be

set up for this session; we have asked, and I think the fact that we are setting up another committee this year only adds more strength to the argument we have used in the past, that there should be a permanent veterans affairs committee set up here in this House of Commons. I do not know just how many committees we have had since the first veterans committee sat, but I am satisfied it must be in the neighbourhood of 17 or 18, and on the average we must have had a veterans committee every second year.

It is not surprising that veterans committees are necessary and veterans legislation has to be changed so often, because, when we consider that the veterans of the first world war are now old men, and that their mode of living and the conditions under which they live have changed, and when we consider that we live in a period of cold war and have garrisons in Germany and other parts of the world, it must be evident that legislation must be enacted in order to deal with these changing circumstances. Also, we had recently a hot war in Korea to which Bill 101 has direct reference as regards veterans. In addition to these factors there is the increase in the cost of living, unemployment and other matters which concern veterans and lend emphasis to the necessity for the setting up of a permanent veterans committee in this house.

I do not wish to anticipate the legislation which will be brought before this committee, but the minister has mentioned the War Veterans Allowance Act. If any act in the whole veterans charter requires amendment it is the War Veterans Allowance Act, and I am pleased the minister has suggested that possibly that act will be amended when it comes before this committee. Am I correct?

Mr. Lapointe: I am sorry to have to correct my hon. friend. I do not wish to say it will not be amended, but I did not say what he has suggested. What I said was that this bill made no reference to the War Veterans Allowance Act because the amendments in 1952 made such provisions.

Mr. Brooks: The minister, then, did not suggest that the War Veterans Allowance Act would be amended, but I suggest to him that it is one of the acts that should be amended and I hope it will be brought before this veterans committee for amendment when the committee is set up. I will not go into the reasons why I believe it should be amended.

In addition to the other things I have mentioned, veterans housing and the Canadian Legion brief should be considered by the veterans committee.

While this veterans committee is being contemplated I would also like to bring to the minister's attention the fact that we have had great difficulty in previous veterans committees, over our terms of reference. They have always been too narrow and we have always felt circumscribed when dealing with veterans affairs in committee, and we have never felt we could do justice to the matters which were brought before the committee for attention. I would suggest to the minister that the terms of reference of this committee, if and when it is set up, and I am satisfied it will be if the minister says so, should be made broad enough to include the outstanding problems of veterans at the present time.

I, Mr. Speaker, like some other hon. members, had prepared considerable material which I intended to use in discussing Bill No. 101, but I think it would only be a waste of time to discuss these matters now when they can be more thoroughly discussed in the veterans committee. For that reason, Mr. Speaker, I have nothing further to say at the present time.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my first words will be to express pleasure at the announcement made by the Minister of Veterans Affairs (Mr. Lapointe) to the effect that the special committee on veterans affairs is to be established.

I regret that some of my colleagues, who might be chosen as members of that committee, do not happen to be here in the chamber at this particular moment. I know I speak for them and for all of us in this group when I say we are glad that at last this decision has been made. I may say that, from the way in which the Minister of Veterans Affairs (Mr. Lapointe) answered the question put to him only a day or two ago by the hon. member for Acadia (Mr. Quelch), I dared to hope that perhaps the softening up process was having its effect and that we would get such a committee at this session.

I see a little procedural problem as to how you will handle the matter, Mr. Speaker, if second reading is concluded tonight and the Minister of Veterans Affairs then wishes to ask that the bill be referred to a committee that has not yet been appointed. But I am sure that, if anything that is proper can be proposed to deal with that situation, the house will certainly give its consent. The desirability of having this committee is clear and the desirability of referring to that committee this and other legislation like it is beyond question.

Like others, we regret that this bill is another one of these omnibus measures that sets out to amend the sections of a number of different statutes. This time the number

is eight or ten. I think we are running into confusion here as we were with regard to the legislation that was before us just a little while ago. However, it is also to be noted that despite the fact that this bill amends perhaps ten different acts affecting veterans and despite the fact that there are one or two other pieces of legislation which we now know may go to the special committee on veterans affairs, there are one or two other items of veterans legislation which have not yet been mentioned by the minister but which in our view certainly must be considered by that committee.

As the minister knows, there is a strong feeling all over the house that, without further delay, something should be done with regard to the War Veterans Allowance Act. As he knows, during debate on another question that took place last week, members in all parts of the house expressed great sympathy with the burnt-out pensioners and wanted something done for them at this session. I echo the sentiments of the hon. member for Royal (Mr. Brooks) when I say I hope that the terms of reference of that committee will be broad enough to make it possible for the committee to consider the War Veterans Allowance Act with respect to increasing the amount, raising the permissible income or eliminating the means test, and so on. These are matters which are familiar to all of us.

There are times in parliament when committees are a device for shelving issues. There are committees that have performed that function. But I think it is to be said that amongst the better committees that we have had in parliament, over the years that I have been here, have been the special committees on veterans affairs. I know of one or two others which have been very good committees as well, but the veterans affairs committees have been committees which have addressed themselves directly and sympathetically, on a non-partisan basis, to the needs of our veterans and to the justice that we feel should be accorded to them. When this committee is set up, if it is given the same kind of opportunity that was given to previous committees on veterans affairs, I am satisfied that it will consider these matters sympathetically and carefully; and I am confident that it will bring back to the house recommendations that will be worth while.

I must point out, however, that the basic question will be the terms of reference. If those terms of reference are restricted or are so narrow as to deny to the members of that committee the right to discuss the Pension Act in all its aspects or the right to discuss the extremely important War Veterans Allowance Act, then the committee will not be able to do the kind of job it has done in the past.

In view of the fact that the committee on veterans affairs is to be set up, it is hardly necessary to discuss this bill at length. As I indicated with regard to the bill that we were considering previously, I should like to see some way found for dealing with necessary amendments to veterans legislation, other than this omnibus type of bill. Perhaps the committee will have a chance to discuss that matter.

On behalf of the members of this group, Mr. Speaker—those who are veterans and those of us who are not—I welcome the announcement that has been made tonight. I trust there will be no detracting from the value of that announcement by limited terms of reference but rather that they will be broad enough so that we can have the kind of veterans affairs committee that will bring back to parliament the recommendations which our veterans so definitely deserve.

Mr. Victor Quelch (Acadia): Mr. Speaker, I do not think it is necessary for me to say very much at this stage. However, I should like to say that we in this group are glad that the benefits of the veterans charter are being made available, by statute, to the Korean veterans. It is a far more satisfactory situation than that of having to depend upon orders in council. We are also very glad to hear the minister say that a special committee on veterans affairs is to be set up. Of course, we would have been better pleased if he had been able to announce that a standing committee was going to be set up. That is something which the various veterans organizations have been asking for year after year and which a number of members in this house have also asked for.

I should also like to join with other members in pleading with the minister that, when this committee is set up, the terms of reference should be made sufficiently wide so that it can deal adequately with veterans problems. I would say that the most pressing need at this time is for amendments to the War Veterans Allowance Act. As a matter of fact, I think I would say that if the terms of reference were going to be so narrow that we could not deal with the War Veterans Allowance Act, it would be better not to set the committee up at all because that would be like adding insult to injury. The main

question that concerns all veterans today is the question of the War Veterans Allowance Act. Therefore, to set up that committee without allowing it to deal with that act would, in my opinion, be just a gesture. I hope the minister will be able to give assurance on that point. That is all I will say at this time.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, there is just one thought I should like to place before the members of the house and particularly before the minister. As I understand this bill, it covers only those young Canadians who had gone to Korea before July 27, 1953, the date on which fighting stopped in that country.

No help of this kind is given to the men who have gone to Korea since that time or to the men who have gone with our forces to Germany at any time. None of them are eligible for these benefits. Of course, I am not advocating that the young men who have not been in the fighting should get the same benefits as those who have actually done fighting. But here we have a situation which has never before been faced by a Canadian parliament. We have thousands of our young men being asked to go as volunteers to serve either in Europe or in Asia for quite an extended period of time. Of necessity, that means that their establishment in life or their preparations for their lifework must be interrupted.

Probably most of them have gone out of a spirit of adventure. For them there is an attraction in getting abroad and seeing other parts of the world. But the point is that most of these men are not making the navy, the army or the air force their career; that is probably particularly true of the army and the air force. I believe it would be of great value to this nation if some provision were made whereby on their discharge from the forces, these young men could get either educational assistance or assistance with vocational training.

Last year I suggested some such plan to the minister with regard to the men in Germany. His reply was that these men had not been in a theatre of war, and therefore were not entitled to any benefits. I suggest that our thinking should be a little more advanced, and that we should make provision to help these young men. A few months ago I received a letter from a young lad serving in Germany, and I should like to quote part of the letter because it clearly shows the feeling of at least some of these young Canadians. He said:

> The majority of ordinary ranks apply for release at the end of their engagements. Some just like their freedom—some like the prospect of high wages, hoping to get good jobs with more pay. Very few go back to school because it takes money, and lots to do that.
>
> More chaps would go to school if the government made it easy for them. In this way they would not be an unemployment problem. A lot of fellows went to university after the last war with D.V.A. help (example my elder brother—he got an engineering degree out of it). Canada will benefit in the long run.

There cannot be the slightest doubt that Canada benefited to a large extent by the training given to the young men who returned from the second world war. There never was a finer investment made by this country than the money put into helping with the training of those thousands of young Canadians. I believe that some such scheme should be started at this time for these other young Canadians who have volunteered for service outside the country, and are either with our forces in Korea or in Germany. If that provision were made, I think it would also be quite an inducement to young men to enlist, especially if they realized that when they came back they would be helped with their education. It would be helpful to the morale of those units serving away from Canada. These men must get lonesome and homesick, being away from this country for long periods during which they are serving, now without the excitement of actual fighting. I believe we would be well advised to work out some scheme now for helping them with their training when they return to Canada.

Mr. Gordon Churchill (Winnipeg South Centre): Any apparent confusion I am showing at the moment, Mr. Speaker, is due to the confused nature of the bill in front of us. It is another one of those omnibus bills because it refers to no fewer than ten acts. As a preliminary, may I say we welcome the statement of the minister that a special committee on veterans affairs will be appointed at this session. A demand has been put forward time and time again for a committee of that nature on a permanent basis. It is welcome to hear the news that such a committee will be set up, even on a temporary basis.

There is no question in anyone's mind that in the past the committees on veterans affairs have served a useful purpose indeed. The veterans of Canada have benefited from the work of these committees. The veterans legislation, which in many respects is of such a high order, has resulted from the work of the veterans committee and this house. I am sure there will be general agreement and pleasure that the minister has seen fit to make arrangements for the appointment of such a committee at this time. We hope that when the reference is given to that committee it will be all-inclusive, and will

cover all matters affecting veterans across Canada. Year after year we have brought forward some of the matters which seriously concern veterans, and unless the minister makes some provision for the committee to consider these matters, the committee will fail in the attempt that should be made in this house on behalf of the veterans. There are still many problems which require settlement, and of course the problem of those on war veterans allowance comes to mind.

This bill before us seems to me to be a confusing document. Bill No. 101, an act respecting benefits for members of the Canadian forces, undertakes to deal with ten separate acts. It deals with the War Service Grants Act; Veterans Rehabilitation Act; the Pension Act; Veterans Land Act; Veterans Insurance Act; Reinstatement in Civil Employment Act; Civil Service Act; Veterans Business and Professional Loans Act; Public Service Superannuation Act; Unemployment Insurance Act. The laws of our country are sufficiently complicated, even for those who are engaged in a day to day attempt to interpret them. As we have had pointed out by laymen looking at the Criminal Code, the laws are a bit confusing to laymen. I feel that this bill is going to add to the confusion. I am not at all clear as to how a person is going to deal quickly with some of the problems that arise if this bill becomes law.

As it stands, this bill appears to differ from the one we were considering a few moments ago, which introduced amendments to the various sections of five different acts. The bill was introduced by the Department of National Defence. Under those circumstances the sections would be amended and an office consolidation, or in time the revised statutes, would show clearly the changes that had been made. Here we have the Veterans Benefit Act, 1954, as this may be cited. It deals in ever so many paragraphs with ten separate acts. A search for information concerning, for example, the Pension Act will eventually lead you to this particular act, section 5. What reference will there be in the Pension Act to indicate to anyone that he must look further into this Veterans Benefit Act, 1954? I would think there would be some other way of dealing with this matter.

Again, as we go through this later on, is the minister going to give us information, act by act? He has not been as obliging as the Associate Minister of National Defence, who separated his recent omnibus bill into parts I to V. There are no separations into parts in this bill, and consequently consideration of it becomes extremely difficult.

[Mr. Churchill.]

Then, where do we stand in the matter of dealing with a general principle, when there are references to so many acts throughout the bill? This is another feature that makes it extremely difficult. The purpose of debate on second reading is to discuss the principle of the bill. In this instance are we to discuss ten different principles, or is there only one? It was not clear to me from the minister's statement just what the situation is in that regard.

If one can discern a principle in this peculiar bill it is that regulations are now made law. We have a suggestion that in some of these sections statutory re-enactment of regulations is taking place. This would seem to be a bit confusing in terminology. I have asked my colleagues how you can re-enact something that had never been enacted. A regulation may be published, but it is not enacted. But now it seems we are re-enacting regulations.

The bill, as I see it, generally amounts to that. In large measure it is a sort of interpretation bill, or a bill which explains the meanings of the various sections in ten different acts, and extends those meanings by way of regulations which, in times past, have been published in order that those acts might be operative.

Would it not have been better to have retained the regulations as regulations, or to have amended the pertinent sections of the ten acts dealt with? If this goes on, if we are to have bills of this nature presented to us, then I think it is going to become extraordinarily difficult for people who require to know the law to find their way about in these documents. It seems rather odd that, just after a revision of the statutes—which certainly has been very helpful—we are now piling in bills of this nature which will only add to the confusion.

I hope this will be the last time the Department of Veterans Affairs will bring forward a bill of this nature for serious consideration—because I am not treating this lightly. Serious consideration should be given to dealing with acts in the normal way in which we have dealt with other acts. Why does this particular department, and its neighbour the Department of National Defence, have to produce these omnibus bills? Are the other departments going to follow suit? Each department administers more than one act. Is this a system that is going to be adopted? If so, then it seems to me it will cause no end of difficulty. It is creating sufficient difficulty right now, and my hope is that with protests of this nature, and perhaps subsequent protests from the committee that

has been proposed, in future the minister will go back to the other method of dealing with amendments to our statutes.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, as one member in the house, I am pleased with the bill. I think it indicates that there is no finality to veterans legislation. I am also pleased that the minister made the announcement that a veterans affairs committee will be set up. I think consideration should be given to making the veterans affairs committee a standing committee of the house.

As I understand the principle of the bill before us, it is merely to open up the many sections of veterans legislation for the purpose of relating the Korean forces to it, and talking about the whole matter generally. I think that is the correct approach. I agree with the hon. member who has just taken his seat, in expressing the hope that we will be able to bring about a consolidation at this time, and that we will not have any new forces to include in years to come.

There is a good deal of material in this measure that could be debated for a long time. However, in view of the fact that the bill is going to a committee, and that the committee will be in a position to call representatives of the department for questioning, it may not be necessary to discuss the matter at great length now.

It is understood that the minister is bringing in a resolution tomorrow for the purpose of setting up a committee. May I express the hope that the resolution will be broad enough in its terms of reference to enable it to discuss many matters that are not exactly spelled out in this bill. I hope the committee will not be simply a legislation examining committee, such as we had on at least one occasion. The War Veterans Allowance Act very definitely has to be examined at this session of parliament; because if there is one question all members are running into right across the country, it is the necessity for changes in the War Veterans Allowance Act. I know the minister is aware of this fact.

Then, I would like to see a full discussion in the committee with respect to veterans education. I agree with the hon. member for Vancouver-Quadra (Mr. Green) that a good job was done after the last war. I do suggest however that we failed in one respect, and that was that the whole emphasis was on university training. A large percentage of the young men who came out of the services and did not have university entrance qualifications were denied education. I think any examination of the records will prove that we should have gone into an extended vocational training scheme at that time, along with our university scheme. This is something that is badly needed. I fear that if in the committee we are permitted only to examine the terms of this bill, then we may not be allowed to discuss educational matters.

I hope the minister will avoid a long discussion tomorrow, when he brings in his resolution, by making the terms of reference broad enough to prevent a discussion in the house and to permit discussions in the committee of all phases of veterans problems. I do not want to speak at greater length at this time, and I look forward to giving these matters consideration in committee.

Mr. Elmore Philpott (Vancouver South): I just want to add a word to say how glad I think all veterans of the whole country, certainly all the veteran members on both sides of this house, will be at the minister's announcement tonight that a special committee is to be appointed this year. I have a personal reason for being glad because now it gives me the answer to the 427 postcards that are lying on my desk upstairs.

What I have seen in this house so far would indicate to me that, regardless of the terms of reference, hon. members have no particular difficulty in discussing whatever they have uppermost in their minds. I know that most of us who are in close contact with what the veterans are saying and thinking know perfectly well that the one thing that is uppermost in their minds across the country today is the war veterans allowance and particularly the level of extra permissible income on that allowance.

All I should like to say, Mr. Speaker, is that in view of the fact that Canada has long had the deserved reputation all over the world of having the best and most advanced veterans welfare legislation in the whole world, I hope the terms of reference that the minister will bring down tomorrow will be very liberal indeed.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): I certainly do not want to hold up this legislation, but I should like to have one minute to endorse what has been said by others in expressing appreciation of the fact that we now know that there will be a committee, and it is our prayer that the committee will be worth while and that the terms of reference will be wide enough to include various matters, and particularly the war veterans allowance. If that is not done I am afraid there will be a great deal of disappointment and the results will certainly not be as good as they otherwise would.

My second point is that I want to join in the protest which was made by my colleague, the hon. member for Winnipeg South Centre (Mr. Churchill), in his statement with respect to this omnibus bill. I sent out for the Veterans Benefit Act of 1951. I was going to say that it was the present minister who was in charge of that bill, but of course it was a different minister. At that time we had the Veterans Benefit Act and we also passed three separate acts, which are now included in the omnibus bill that we have before us tonight.

I presume the minister will not have too much sympathy for those practising law in other places, but some day he may have to practise law again himself. In fact, we hope that that day will come before too long. When he does, he will have, of course, an advantage over other lawyers, because he will have sat here and he will know he has to turn up the omnibus act to find the amendments to twelve different acts. How are other lawyers across Canada who are consulted by clients, by pensioners, by war veterans and so on, to get the information? They will have to get the Pension Act and get all these other acts. They will have to look up the index and find the amendments. Then they will advise their clients, and later on they will find that because the minister did not want to spend too much time in the house and did not want to bring in eleven or twelve different acts, he tied them all up in one bundle. This is the first time it has happened with the Department of Veterans Affairs.

The Department of National Defence have done this before and they have set a bad example. The Minister of National Defence (Mr. Claxton), who is sitting in front of the Minister of Veterans Affairs, must have had a bad influence upon the minister because in 1951 the Department of Veterans Affairs at least introduced separate bills. Today we find that they are bringing in one bill and including all these others. I think it is a bad principle. It is wrong; it is unfair to the veterans themselves. If this is going to be done, well, then, why does not the Minister of Transport (Mr. Chevrier) bring in an omnibus bill to deal with air transport, the Canadian National Railways, the harbours board and a dozen other things? Why does he not bundle up all the things that he has to deal with and bring them in in one bill? Tonight we are endorsing a principle which I think is wrong, and I want to express my disapproval of it.

Mr. J. M. Macdonnell (Greenwood): I want to make one statement. I have been in this house and have heard this practice criticized again and again. To the best of my recollection I have never seen anyone bold enough to stand up and say one word in favour of it.

Motion agreed to and bill read the second time.

Mr. Lapointe: I move that the bill be referred to a special committee on veterans affairs to be appointed at a later date.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Claxton: The time is approaching when we might adjourn. Tomorrow, as announced, we will take up the Criminal Code. If we conclude that I would hope that hon. members would agree to adjourn.

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

HOUSE OF COMMONS

Friday, February 12, 1954

The house met at 2.30 p.m.

HOUSE OF COMMONS

HON. MEMBER FOR FORT WILLIAM—BIRTHDAY CONGRATULATIONS

Mr. H. A. MacKenzie (Lambton-Kent): I rise on a question of privilege, Mr. Speaker. Before parliament assembles here on Monday, the senior statesman of this house will commemorate his birthday and pass another milestone. I refer to the hon. member for Fort William (Mr. McIvor) who, on Sunday the 14th, will celebrate the 81st anniversary of his birth. He is the youngest of the older men in the house, and is an example to us all of what clean living and right thinking will do for us. I am sure the members will go along with me in extending to him our heartiest congratulations and best wishes for many happy returns of this memorable occasion.

Mr. Daniel McIvor (Fort William): I appreciate the courtesy and kindness very much. I do not feel old as yet, and I am going to live as long as I am living. I am sure that He who keeps His eye on the sparrow will keep His eye on "old Dan".

PRIVATE BILLS

CANADIAN PACIFIC RAILWAY

Mr. G. J. McIlraith (Ottawa West) moved the first reading of Bill No. 252 (from the Senate), respecting Canadian Pacific Railway Company.

Some hon. Members: Explain.

Mr. McIlraith: The purpose of this bill is to seek the authority of parliament—

Some hon. Members: Order.

Mr. McIlraith: Some hon. members asked for an explanation, and I do not want to appear to be in the position of refusing them. I have no desire to explain it, I assure you, but I do not want to be put in the position of having appeared to refuse an explanation to members who asked for it.

Mr. Knowles: On the point of order—

Mr. Speaker: Order. If unanimous consent of the house is not given, the explanation, no matter how succinct it may be, is not allowed. Is it the pleasure of the house to adopt the motion?

Motion agreed to and bill read the first time.

FIRST READINGS—SENATE BILLS

Bill No. 253, for the relief of Gloria Alphonsine Timmins Ferguson.—Mr. Hunter.

Bill No. 254, for the relief of Adella Alice McNeil Slobosky.—Mr. Hunter.

Bill No. 255, for the relief of Vera Marguerite Hennigar Isenring.—Mr. Hunter.

Bill No. 256, for the relief of Sylvia Golbas Lann.—Mr. Hunter.

Bill No. 257, for the relief of Lucy Jane Cole Judd.—Mr. Hunter.

Bill No. 258, for the relief of Walter Hardy Willows.—Mr. Hunter.

Bill No. 259, for the relief of Elizabeth Temple Jamieson Grier.—Mr. Hunter.

Bill No. 260, for the relief of Herbert William Bateman-Cooke.—Mr. Hunter.

Bill No. 261, for the relief of Rita Ann Rennie Knight.—Mr. Hunter.

Bill No. 262, for the relief of Mavis Josephine Green Jackson.—Mr. Hunter.

CRIMINAL CODE

INQUIRY AS TO COMMENCEMENT OF WORK OF SPECIAL COMMITTEE

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Can the Minister of Justice say, now that the other house has approved the motion to set up this committee, when it is proposed to proceed with the committee on the criminal law?

Hon. Stuart S. Garson (Minister of Justice): I believe, Mr. Speaker, we can proceed in the very near future, probably next week.

Mr. Fulton: I would hope it would not be delayed.

LABOUR CONDITIONS

FISCAL AND MONETARY MEASURES TO TAKE CARE OF UNEMPLOYMENT

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): May I ask the Minister of Finance a question, of which I gave him notice yesterday. Can the

minister tell the house something of the various fiscal and monetary measures which the Minister of Labour told us were the means proposed to take care of unemployment?

Hon. Douglas Abbott (Minister of Finance): I listened to the hon. member's question yesterday, and I was not quite sure whether or not he expected me to elaborate upon it. However, I am very happy to do so.

The government does not believe that present conditions warrant the adoption of drastic or large-scale anti-deflationary measures. Economic activity in some lines is at present below the levels of a year ago, but industrial and economic activity as a whole in Canada is still at a very high level.

Strong inflationary pressures which were of so much concern to the government and to all hon. members a couple of years ago have subsided and, as they subsided, the government has withdrawn the various anti-inflationary measures which were adopted in 1950 and 1951. For example, the government has withdrawn the various restrictions on the expansion of credit, both through the banks and in the field of consumer credit.

The policy of the Bank of Canada has been to keep the banks in a strong cash position, and one of the consequences of this policy has been some decline in both short and long term interest rates. The federal government's budget surplus has been virtually eliminated, and in planning our expenditures for the coming year we have followed a less restrictive policy in public works. The housing act which is presently under consideration will make possible a larger flow of funds into housing construction.

These are some of the measures which the government has taken to adapt government policy to current conditions. If economic activity declines, the government is in a position to take stronger action in these and other directions, but I should like to emphasize that as I and my colleagues view the present situation there is no justification for stronger action and I have a high degree of confidence that when our winter season of normally reduced activity is past, economic activity in Canada is likely to resume its upward trend at a satisfactory rate.

Mr. Macdonnell: May I ask a supplementary question. Shall I assume that the report in the morning paper, the *Gazette*, is correct in saying the minister regards the winter unemployment picture as not alarming but only unpleasant?

Mr. McIlraith: Blakely is seldom correct.

[Mr. Macdonnell.]

Mr. Abbott: Yes, that report is quite accurate. That is a Canadian Press report.

Mr. Knowles: Does the minister's opinion as to the accuracy of the article depend on who writes it?

COAL

SUBVENTIONS—REQUEST FOR STATEMENT ON WORK OF COMMITTEE

On the orders of the day:

Mr. E. G. Hansell (Macleod): May I direct a question to the Minister of Mines and Technical Surveys, based on a report in the papers some weeks ago that a committee had been set up to study the adjustment of subventions for the movement of coal? My question is, would the minister be prepared to make a statement as to what progress is being made by the committee, and when we might expect an interim report?

Hon. George Prudham (Minister of Mines and Technical Surveys): The hon. member was good enough to give me notice of his intention to ask this question. The whole matter of freight subventions is receiving very careful study at the present time. I have no interim report to make, but I do expect to make a full statement when the estimates of the dominion coal board are before the house.

WATER POLLUTION

FISHERIES ACT—SUGGESTED AMENDMENT REDEFINING POLLUTION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of National Health and Welfare. He of course will know what I have in mind. This is the 86th day for Prince Albert in its present position. Will the government consider at once introducing in the house an amendment to the Fisheries Act, if necessary, to redefine the word "pollution" so as to make it possible to punish those who today are dumping into the river chemical products which do not come within the meaning of "pollution" because they are not toxic, and also to have the penalties in the Fisheries Act increased so that industrial concerns may not pollute our streams? If the house will allow me to say so, the situation is terribly serious—

Some hon. Members: No.

Mr. Diefenbaker: My hon. friends say "no".

Mr. Speaker: The hon. member knows that he cannot add to his question.

Mr. Diefenbaker: If they were living there they would know—

Mr. Speaker: Order. The hon. member may ask his question. He has done so. If he has not unanimous consent he cannot comment upon his question. The minister may answer it.

Hon. Paul Martin (Minister of National Health and Welfare): I think the hon. gentleman will realize that he is not the only one in this house who is interested in seeing that this problem is solved.

Mr. Diefenbaker: Eighty-six days.

Mr. Martin: My hon. friend has said "86 days". He has acted properly in asking the government what it can do or what it proposes to do and what it is doing in co-operation with the provincial government.

Mr. Macdonnell: Is this just an answer or a speech?

Mr. Martin: But I must say that merely to say "86 days" is not contributing to the situation. I explained to the house last Monday that we had indicated to the minister of health of the province of Alberta our desire to continue the co-operative enterprise that we had already engaged in with respect to this particular matter, and with that end in view I had sent a telegram to the minister of health, the responsible authority under our constitution, asking for his reaction to the proposal that we had made.

I may say to my hon. friend that it is not clear at this moment who is responsible for this serious situation.

Mr. Diefenbaker: Oh!

Mr. Martin: My hon. friend says "Oh!". That is the situation. The minister of health in Alberta has indicated to me that it is not clear at this moment who is the party responsible for the pollution. At one time it was thought that a particular corporation was the party, but the investigations which are now being carried on with the help of technical officers do not reveal at this moment which particular party is responsible for the pollution. The scientists, both federal and provincial, are doing their utmost to come up with an answer to this problem.

I would point out to my hon. friend that there is nothing to prevent anyone, for instance, in the city of Prince Albert from taking whatever legal steps he sees fit. There is no lack of present law to deal with this situation. What is important now is that the co-operative efforts which we are making to ascertain the cause of this thing be allowed to go on unhampered.

I am pleased to communicate to the house at this time the telegram I have received from the minister of health in Alberta who, as I say, is the responsible officer. The telegram reads:

> Thank you for the offer made in your telegram of February 8. Dr. Somerville has been in touch with Dr. Cameron and arrangements are being made for two of your industrial chemists to visit Edmonton in the very near future. Your co-operation is much appreciated.

Mr. Campbell: I should like to ask a supplementary question. Is there a laboratory in Canada capable of analysing this water?

Mr. Martin: The laboratory in Saskatchewan, as my hon. friend would agree, I am sure, is no mean one, and the laboratory in Alberta, together with our own laboratory facilities here and the facilities in Cincinnati, are all being utilized in the effort to solve this situation.

ROYAL CANADIAN AIR FORCE

CHANGE IN ISSUING OF CIVILIAN PAY CHEQUES AT WINNIPEG STATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Associate Minister of National Defence. Is the minister aware of the fact that on Monday next, February 15, civilian employees on the R.C.A.F. station at Winnipeg will not receive their regular semi-monthly pay cheques? The minister knows that this is owing to a change in pay procedure that has come about suddenly. Is there not some way in which this change can be brought about gradually so that these employees will not have to go a whole month on a half month's pay?

Hon. R. O. Campney (Associate Minister of National Defence): I was not aware of the situation to which the hon. member referred. I shall look into it and ascertain the facts.

IMMIGRATION

INQUIRY AS TO DEPORTATION OF MRS. JESSIE WILSON

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): I should like to direct a question to the Minister of Citizenship and Immigration. It concerns a story carried in the Calgary *Herald* of February 10, a copy of which I have given the minister. It has to do with the case of an Australian woman, Mrs. Jessie Wilson, mother of an Australian air force veteran now residing in Calgary—

Some hon. Members: Question.

Mr. Nickle: I should like to give a brief explanation.

Inquiries of the Ministry

Mr. Speaker: Order. The hon. member must put his question.

Mr. Nickle: I will come to the question then, sir. This woman was ordered deported after 24 hours in Canada, despite the fact that the Vancouver health authorities examined her—

Some hon. Members: Order.

Mr. Nickle: —and gave a written report that an arrested area of tuberculosis gave no grounds for deportation. The question, sir, is this. On what grounds was she deported, and will her case be re-examined by the minister to ensure that no grave injustice may be done to this woman?

Hon. W. E. Harris (Minister of Citizenship and Immigration): The hon. member for Calgary South was kind enough to telephone my office a few moments before we came into the house, and I have had an opportunity of getting a brief report from the department, as well as reading the newspaper clipping he sent me.

The facts are these. This mother did arrive in Vancouver and was deported because of a condition which was variously described as arrested tuberculosis, and by many similar medical terms. But the real facts, which do not appear in the newspaper report which I have read, are these. This lady applied in Australia for immigration to Canada. She was examined there. She was rejected because of her medical condition. She was informed that she ought to abandon her plans for coming to Canada. Despite that, she arrived without further notice on a ship in Vancouver and she was properly then rejected.

However, in view of the fact that her son is married and living in Canada I will have an examination made in the hope that we might have an opportunity to examine her again in Australia after a suitable interval to see if her condition has improved so that she may be admitted.

LABOUR CONDITIONS

INQUIRY AS TO NUMBER OF UNEMPLOYED ON JANUARY 10, 1954

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Can the Minister of Labour give us the official figures of the number of unemployed in Canada on January 10, 1954?

Hon. Milton F. Gregg (Minister of Labour): Not today. I think those official figures will be released shortly.

[Mr. Nickle.]

Mr. Hamilton: I have a supplementary question. On what grounds does the government differ with the estimates recently made by two labour unions?

Mr. Gregg: I would refer my hon. friend to an attempt at explanation of that which I made in a statement not very long ago. If that is not complete, perhaps there will be an opportunity to discuss the matter at a later date.

CRIMINAL CODE

REVISION AND AMENDMENT OF EXISTING STATUTE

The house resumed, from Tuesday, January 19, consideration in committee of Bill No. 7, respecting the criminal law—Mr. Garson—Mr. Robinson (Simcoe East) in the chair.

On clause 120—*Public mischief.*

The Chairman: When the committee rose after its last sitting we were considering clause 120. Shall the clause carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 121—*Compounding indictable offence.*

Mr. Shaw: Would it be possible for the minister to move a little closer toward the centre of the chamber so that some of us may not feel so removed from him during the discussion? We would like to be closer to him.

Mr. Garson: I have no objection to doing that if you will give me a little time to move my impedimenta.

Clause agreed to.

On clause 122—*Corruptly taking reward for recovery of goods.*

Mr. Knowles: Had we dealt with clause 120 the last time or were we going to let it stand?

The Chairman: Clause 119 stood; 120 and 121 carried and we are now at 122.

Mr. Knowles: When was clause 120 carried, last time or just now?

Mr. Garson: Perhaps I had better put the information I have here on the record so we will know as we go along what sections have been allowed to stand and where we are, at the present time. According to my own records and those of the Clerk Assistant, the following clauses were allowed to stand: 16, 32, 33, 46, 47, 48, 50, 52, 57, 60, 61, 62, 64, 65, 66, 67, 68, 69, 88, 102, 116 and 119. All of the other clauses have been carried. When the committee opened today we were at clause

120, which was being considered when we last met. Clauses 120 and 121 were called and I think in the general confusion were passed. We are now at clause 122 unless there are some observations to be made with regard to clauses 120 and 121.

Mr. Knowles: Has the minister anything further to say with regard to the suggestion we were making with regard to clause 120 when the committee rose last time?

Mr. Garson: There was some discussion by the hon. member for Winnipeg North Centre and myself with regard to clause 120. If I understood him correctly he was afraid that a man innocent of any real criminal intent might perhaps be convicted under clause 120. I took the position that the use of the word "wilfully" indicated, as indeed the cases upon this offence show, that the crown in a prosecution must establish that the incorrect statement which the accused made was false to the knowledge of the accused and that he had made it deliberately or, as the section says, wilfully in order to mislead the police officers.

I indicated in my remarks when we were last discussing this matter that we do not think that there is any necessity to amend the wording of clause 120. All that we could do would be to spell it out and we think it is quite clear as it is. If the hon. member for Winnipeg North Centre is willing to accept it we are quite content to leave it.

Mr. Diefenbaker: How frequently have there been prosecutions under this section?

Mr. Garson: As is indicated on the opposite page, this is a new section.

Mr. Diefenbaker: Previously it was under the common law.

Mr. Garson: Yes. When we consulted the law officers of the provinces to find out what common law offences had been dealt with during the past sixty years we were told that sometimes they charged the offence of public mischief but in almost every case it was of the nature that we are discussing, that is, it was a case where false information had been given to the police of the commission of a non-existent crime which had caused them to go off on a wild goose chase. I would not say that there were frequent charges, but there have been a considerable number of them in most provinces.

Mr. Diefenbaker: I know of one or two. In one case the man who gave the statement was himself the murderer and as a result the law officers of the crown were going back and forth across the country for weeks on end. He made the statement in an apparent desire to assist them in locating and apprehending the murderer. This case happened in Saskatchewan. There was another case in Ontario some years ago, either in the county of Grey or in the county of Bruce. A similar state of affairs prevailed.

I am wondering whether the penalty is heavy enough. Five years is given as the maximum penalty. When an individual is endeavouring to saddle someone else with a murder, I do not think the penalty is heavy enough.

Mr. Garson: Especially if it is his own crime.

Mr. Diefenbaker: Yes. I feel that the penalty is rather too low. As I recall the case in the province of Ontario, the penalty that was imposed there under the common law was seven years. In the case to which I have referred in the province of Saskatchewan, which occurred about 20 or 25 years ago, the actual murderer assisted the crown for a considerable time in their search for the murderer as designated by the person who in fact had committed the homicide. It is interesting to note that after this man was convicted and sentenced to a term in the Prince Albert penitentiary the crown was unable to obtain sufficient evidence to convict him of the murder even though he confessed, his confession being ruled out. On leaving Canada he went to Great Britain and there committed another murder for which he was executed three or four years ago.

I would suggest to the minister that five years' imprisonment is not a very heavy penalty to impose on one who, in order to mislead the police, and to remove the cloud of suspicion that may rest upon him, takes it upon himself to give information of a totally false nature against another, and innocent, person. I do not very often suggest that penalties under the code should be increased, but I do believe this is one penalty the minister should bring under consideration.

Mr. Knowles: I do not wish to comment on the suggestion made by the hon. member for Prince Albert as far as increasing the penalty is concerned, but it seems to me that his suggestion underlines the objection I have taken to the wording of clause 120. Even as the clause now stands the five year penalty is rather severe if the person who is guilty of an infraction according to the clause is in the position of not knowing whether an offence has been committed.

Mr. Diefenbaker: Does not the word "wilfully" cover that?

Mr. Knowles: That is a point that lawyers and non-lawyers can argue about, but my understanding of the wording makes me feel

that the word "wilfully" does not fully cover the situation. Perhaps the best way to get my point across is to read the clause as it now stands, and for my purpose I will read subparagraph (c) of clause 120, and then I will read it as I think it should be worded.

Subparagraph (c) of clause 120 reads as follows:

> Every one who causes a peace officer to enter upon an investigation by wilfully
> (c) reporting that an offence has been committed when it has not been committed,
> is guilty of an indictable offence and is liable to imprisonment for five years.

It seems to me that even with the five year penalty, let alone the higher penalty suggested by the hon. member for Prince Albert, it would be better if the clause read as follows:

> Every one who causes a peace officer to enter upon an investigation by wilfully
> (c) reporting that an offence has been committed when he knows that it has not been committed, is guilty of an indictable offence and liable to imprisonment . . .

—for whatever period the law might suggest. Perhaps it all turns on the different interpretation we place upon the meaning of the word "wilfully". The minister seems to feel that what I am suggesting comes under the term "wilfully", but when such cases go to court it will not be the minister's definition of the word, or my own definition, but rather the definition which the court places upon it which will be the important one.

In explaining my suggestion with regard to clause 120, I chose subparagraph (c) because that was the one I thought would better enable me to spell out the idea I had in mind; but the same wording could be incorporated into subparagraph (b), although it might perhaps require more extensive wording.

The Chairman: Shall the clause carry?

Some hon. Members: Carried.

Mr. Diefenbaker: Would the minister not care to comment on the question of penalty?

Mr. Garson: The difficulty with regard to the penalty is this, that under the new code we are now considering we have adopted a certain number of penalties, five years, 10 years and so on, and in order to follow that general plan as applied to this particular case, and if we did not adhere to the penalty of five years, we would have to increase it to 10 years. I believe my hon. friend will agree that the cases in which the police are misled by a false statement to the effect that a crime has been committed when it has not been committed, as a rule do not have associated with them the almost unique circumstances of the case which he mentioned, when the person who was misleading the police was trying to do so with the distinct ulterior motive in mind of leading them on a false trail away from his own guilt. In the great majority of cases that element is not present, and I would think that when that element is not present five years is adequate in the case of a man who has misled the police. Five years in the penitentiary is quite some time out of a man's life, and for the majority of offences of this kind I would think that such a penalty would be quite adequate.

Mr. Diefenbaker: I realize the trend today is in favour of lower maximum sentences.

Mr. Garson: Yes, that is correct. We can give consideration to the hon. member's suggestion but I would be inclined to think we would probably come to the conclusion that five years is adequate under this section in relation to the people who are likely to be convicted under it.

The Chairman: Shall the clause carry?

Mr. MacInnis: Mr. Chairman, I would like to say something on this clause along the lines taken by the hon. member for Winnipeg North Centre. The clause reads:

> Every one who causes a peace officer to enter upon an investigation by wilfully . . .

But surely anyone who goes to a police officer and asks him to make an investigation does so wilfully, unless he does it under duress, which is hardly possible. As the hon. member for Winnipeg North Centre has pointed out, a person might do such a thing wilfully and yet not do it with any evil intent. If the Minister of Justice thought something had been done and he went to a police officer and said, "I believe something has been done and I think you should investigate it," and he had no evil intention in requesting such an investigation, he is still doing it wilfully, but I do not believe he should be punished for what he has done. I believe the hon. member for Winnipeg North Centre has an important point here. Like him, I am not conversant with legal terminology—

Mr. Knowles: That is to our advantage.

Mr. MacInnis: Well, it may be, but if you are in the clutches of the law it is better if you have a knowledge of the law. I believe an amendment to subparagraph (c) of clause 120, along the lines suggested by the hon. member for Winnipeg North Centre, should be considered.

Mr. Garson: Mr. Chairman, as I have already stated, it has been the law, as established by decisions in the courts, that in cases of this kind on a charge for a common law offence, the crown has to prove two ingredients, first, it has to prove that the statements which the accused made to the police officer

were false; and second, that the accused made them with the wilful intent to mislead. The essence of the offence is the misleading of the police.

Mr. Diefenbaker: Would the minister mention a couple of those cases he has in which the court has so held?

Mr. Garson: One is the one which my hon. friend has mentioned, that of Rex *v.* Leffler. Is that the one?

Mr. Diefenbaker: Yes.

Mr. MacInnis: If this "wilful" means "wilful intent to mislead", that settles the point; that is satisfactory as far as I am concerned. However, it would mean more to me if it were in the section.

Mr. Garson: I think the only solution to the question posed by my friends the hon. member for Winnipeg North Centre and the hon. member for Vancouver-Kingsway would be to spell this out to an extent which is not usual in a code.

Mr. Fulton: How about substituting the word "maliciously" for "wilfully"?

Mr. Garson: No. I do not think that would do it. What might be done would be to make it read as follows. When I give this wording my hon. friends will see the awkwardness which arises when one attempts to spell it out. We could make it read in this way:

> Every one who causes a peace officer to enter upon an investigation by wilfully . . .
> (c) reporting that an offence has been committed which has not been committed when he knows that it has not been committed or when he does not have reasonable grounds to believe that it has been committed.

It is true that this wording is awkward, but if we start to spell it out and do not finish the job, in my judgment it is much better to leave the clause as it now is. If we do finish the job by spelling it out to the extent which I have indicated, it sounds pretty awkward. In connection with every one of these sections—

Mr. Knowles: How about allowing it to stand?

Mr. Garson: —I think it is important that we try to evaluate and act upon every worth-while suggestion that we can get from every member of the house in order to produce as good a code as possible. Perhaps if we were to let this section stand, and if my hon. friends who have made this suggestion are sufficiently interested, I should be glad to confer with them and to try to produce a wording which would meet their approval. Then we could bring it back and see whether it met with the general approval of the committee.

Mr. Knowles: That procedure would be quite satisfactory, Mr. Chairman.

Clause 120 stands.

Clause 122 agreed to.

On clause 123—*Advertising reward and immunity.*

Mr. Shaw: Under subsection (a) I take it that two things must occur at one and the same time before an offence has been committed, namely that the reward has been offered and that immunity has been guaranteed. Am I correct in assuming that the mere guarantee of immunity in itself would not constitute an offence?

Mr. Garson: I should not like to say that the guarantee of immunity would not carry the penalty or constitute an offence. The principle of this clause is that of discouraging practices which may tend to the compounding of crimes between the person who is advertising and the person who has committed the crime. Of course my hon. friend is right in saying that if the crown makes a charge under section 123 (a), the crown must prove all of the ingredients of that charge as stated in the subsection. But it might be that if a person offered immunity, the other circumstances of the case were such that, although an offence could not be charged under this section, it could perhaps be charged under some other section of the code.

Mr. Shaw: May I ask one other question in connection with this matter? The section refers to advertisement. What is the situation if one were to have a letter printed in a newspaper and in that letter offered a reward and also offered immunity? Could the person be charged? The section states specifically that it must be an advertisement.

Mr. Garson: In order to support a charge under this section—in my view my hon. friend is quite right—it has to be an advertisement. If you are going to prove an offence under section 123 (a), you have to prove that the accused publicly advertised a reward and used words to indicate that no questions would be asked. You have to bring him right under that section.

Mr. Winch: It is just in view of the statement made by the minister that I rise at this moment. A few moments ago he stated that the reason the provision is in here is that you would be compounding a felony if you offered a reward with no questions

asked. I can understand that you would be doing so if something had been stolen; but how do you compound a felony if you offer a reward, with no questions asked, for the return of something that is lost?

Mr. Garson: I am glad that my hon. friend has raised this point. Perhaps the infirmity of my language has misled him. I did not mean to suggest—and I was wrong if I did so, but I do not think that I did—that an offence under this clause would be the crime of compounding a felony, but that this clause was in principle like the crime of compounding a felony. In my view the essence of this clause here is that the accused deals with a criminal to relieve him of the consequence of his crime if he will just give back what he has taken. I am not suggesting that this is compounding a felony but what I am suggesting is that the crime of compounding and this crime here both have the same element of saying, in effect, to the criminal, "It is true you may have stolen this, but if I can get my money back, then we will just forget about it". That is the element actually in compounding and I think it is quite clear that it is the element in this section here.

Mr. Cameron (Nanaimo): Would a felony not be committed in certain circumstances even though an article had only been lost? Suppose, for instance, I were to pick up a $100 bill out here in front of the parliament buildings and were to shove it in my pocket. Is that an offence?

Mr. Garson: If I understand my hon. friend correctly, he is quite right in saying that this clause relates just to the advertisement. If he will look at the words in the last line of the section he will see that this is a relatively minor offence. It is punishable only upon summary conviction. The purpose is to discourage this type of advertising. The man is just brought, in a summary manner, into the magistrates court and the penalty is not very severe. However, the principle is much the same, as in the much more serious offence of compounding.

Mr. Johnston (Bow River): This only takes place where advertising is concerned.

Mr. Garson: Yes.

Mr. Hansell: My question may appear to be a bit far-fetched, but would the minister care to comment on what would happen if a case of kidnapping were involved rather than stolen property. It occurs to me that, comparatively speaking, quite a bit of advertising of this sort is done in the case of kidnapping. A mother will advertise and say that no questions will be asked, which of course might be a natural thing to do. I know that the section uses the words "anything that has been stolen or lost", and perhaps kidnapping would not be involved here.

Mr. Garson: This has no relation to kidnapping at all.

Mr. Shaw: What is to be gained by having a section in which it is stated that it is an offence to do a certain thing through advertising when exactly the same thing can be done by simply putting a letter in the same newspaper? What is the reason for this clause if it is so easily circumvented? What value has it?

Mr. Fulton: No newspaper would accept such a letter.

Mr. Garson: I am afraid I do not grasp my hon. friend's meaning. As I understood him, he was referring to this lady writing a letter to the newspaper.

Mr. Shaw: I am not talking about what the hon. member for Macleod referred to. I originally brought up the question of there being no offence unless a reward and promise of immunity are contained in the advertisement in the newspaper, but the same thing can be done by means of a letter.

Mr. Garson: A letter in the paper?

Mr. Shaw: Yes.

Mr. Garson: The first question that would arise there would be as to what interpretation the magistrate was going to place upon the word "advertising."

Mr. Shaw: That is the point. Is there an interpretation?

Mr. Garson: I would think that the courts might interpret such a letter as advertising upon the ground that you do not have to pay for it in order for it to constitute advertising. But you will see the point here if you will look at paragraph (d). You will see that it is an offence to print or publish any advertisement referred to in paragraphs (a), (b) or (c). The primary purpose of the section as a whole is to prevent newspapers being used for this sort of thing by prohibiting people from making arrangements to have advertisements printed and also by prohibiting newspapers from publishing.

Mr. Hansell: What would be the effect of placing the responsibility and liability on the paper rather than on the person?

Mr. Garson: The responsibility is on the paper. "Every one who"—and then you have (a), (b), (c) and (d), and (d) is "prints or publishes any advertisements".

Clause agreed to.

Clause 124 agreed to.

On clause 125—*Escape.*

Mr. Regier: In the third line of subsection (c) appear the words "the proof of which lies upon him", and at the end of the section a penalty of two years is provided. In a country such as ours I can see that many situations may arise whereby a man may arrive two hours or a day late, and he may have considerable difficulty producing evidence. Is there a need for those words, "the proof of which lies upon him", in that particular section? I realize that no difficulty would be involved in an urban area because the minute the person failed to appear a warrant would be issued and he would be located. But Canada is a large country.

Mr. Garson: If my hon. friend will read the whole clause I think he will see that its meaning is pretty self-evident. It reads:

> Every one who . . .
> (c) having been charged with a criminal offence and being at large on recognizance fails, without lawful excuse, the proof of which lies upon him, to appear in accordance with the recognizance at the proper time and place for his preliminary inquiry, to stand his trial, to receive sentence or for the hearing of an appeal, as the case may be, is guilty of an indictable offence and is liable to imprisonment for two years.

This involves a man jumping his recognizance and going away. If he is caught he is guilty of this offence. I take it my hon. friend's objection is that the words "the proof of which lies upon him" involve a shifting of onus that is not fair to the accused. I see my hon. friend nodding his head in assent. If that is the point, then I would say that it is generally recognized in the law that it is not unreasonable or unfair to leave the proof upon the accused in a case like this where he is the only person who has the evidence that will discharge that onus. He is the only man who has the excuse, and if he has a lawful excuse—

Mr. Fulton: He is the only one who knows it.

Mr. Garson: Yes, he is the only one who knows it. There is no way at all that the crown can prove it. If he has an excuse all he has to do to meet the onus that is upon him is to say: "Well, Your Worship, I am sorry that I was late in turning up but the bus in which I was travelling broke down and I could not get any alternative transportation", or, "I had an airplane ticket and the planes were all grounded because of fog." This will clear him and it is no hardship to him to produce evidence like this which only he can adduce.

Mr. Fulton: That is the way this house is, quite often.

Mr. Garson: Cases of that sort arise frequently and the person involved, who is the only one who has the evidence, is asked to produce it in order to establish a lawful excuse.

Mr. MacInnis: I would agree that the hon. member for Burnaby-Coquitlam has not got a very good case here but I am glad he brought up the point because, as we go through the bill, I think we will find other cases where the onus of proof is on the accused and where it is not so well placed as in this instance. In this case something additional is given to the accused. He is already guilty of an offence but if he can prove a reason for his non-appearance then that mitigates the offence. While I would not agree that my hon. friend has anything in this particular case, I am glad he brought up the point.

Mr. Diefenbaker: I agree with the hon. member who has just taken his seat. As one looks over these amendments, and we will come to various onus sections a little later, one would almost conclude that a number of these new onus sections had their origin in the difficulty of crown counsel in establishing their cases with that ease that crown counsel sometimes like. That observation does not apply to this section, but as I see the situation it does apply to one or two others that we will be dealing with later. As far as this section is concerned, if that provision were not there I do not know what would happen to the accused. In other words, the crown can say to an accused: You were there and you should have been here; you are guilty. Then he has an opportunity to say: The reason I was not here was that I had a lawful excuse to be where I was. Certainly there is no onus placed on the accused in this section, although a reading of it would give that appearance.

Clause agreed to.

On clause 126—*Permitting escape.*

Mr. Ellis: There is one question I should like to ask on this clause. I presume this provision refers to a peace officer who allows a prisoner to escape. Is it necessary to prove any intent to allow the prisoner to escape? Say a policeman, through negligence, permits a prisoner to escape: is he liable under this clause?

Mr. Garson: I believe if the hon. member will read the wording of the provision he will see the answer to his question. Clause 126 reads:

Every one who
(a) Permits a person whom he has in lawful custody to escape, by failing to perform a legal duty,

In order to make the accused liable under that clause, the crown has to prove, not only that the prisoner was permitted to escape but that the escape was the result of the accused police officer, or whoever he might be, failing to perform a legal duty.

Mr. Ellis: Then, I gather it would be possible to prove negligence on the part of the policeman?

Mr. Garson: I should like to stick to the terms of the clause. It would be by his failure to perform his legal duty, and that would be the one point which the crown would have to prove before it could get a conviction.

Clause agreed to.

Clauses 127 to 129 inclusive agreed to.

On clause 130—*Public place.*

Mr. Cameron (Nanaimo): I should like to call to the minister's attention the definition of a "public place". It seems to me to be an extremely wide definition, and may very well affect the application of other sections of the act. I have been trying to think of some place that is not a public place within the terms of this definition, and I cannot think of one. I thought I had found it in this chamber, itself, but then I recalled that the public is occasionally invited in here. Perhaps I am reading it in a wrong manner, but it seems to me that any place to which the public has access as of right or of invitation, expressed or implied, is almost everywhere.

Mr. Garson: The purpose of this definition is, quite frankly, to overcome difficulties which have arisen as to whether stores, shops and other public places to which the public are invited by the owners, so that they can do business with them, are public places. I have argued myself, I must confess unsuccessfully, before the court of appeal of my own province, that an accused who was intoxicated in a country general store in the evening, although it was open at the time, was not intoxicated in a public place. This man worked on the railroad and was going to lose his seniority and his pension. There was not any question about his intoxication, and the only point upon which we could hope to have his conviction quashed was that this store was not a public place. The purpose of this clause is to put beyond any peradventure or argument what constitutes a public place for the purpose of part IV of the code. I believe it is a fair definition because it says:

"Public place" includes any place to which the public have access as of right or by invitation, express or implied;

Is it not true that such a place is, in fact, a public place? It is defined so there will not be any doubt about it.

Mr. Cameron (Nanaimo): The point is, if I had the temerity, I might invite you into my house. Would it then become a public place?

Mr. Garson: No; though I am a member of the public, I am not the public.

Mr. Diefenbaker: As the minister has said, this definition was to cover a case that took place in Saskatchewan, and which for years was the authority on the question of what was, in fact, a public place. As I recall, the case was Rex *v.* Benson, in 1928. I was counsel for the appellant in that case. The accused was charged with disorderly conduct in a public place, namely in a restaurant. He was convicted and we launched an appeal, and on appeal it was held that a restaurant was not a public place, in that the public did not have the inherent right of access to that place. This case was followed for many years, and resulted in many guilty persons being acquitted. Some years ago, I think around 1946, the difficulties of the prosecution for some 18 years were dissolved by an amendment that was introduced to cover the situation.

It actually means, as the minister has stated, that where a person goes into a place that is open to the public, that is now a public place. Prior to the amendment in 1946, a public place was a place where the public had an inherent right of access. I would be loath to see any change in the definition, if disorderly conduct is to be punished in this country.

Mr. Dupuis: Would the minister tell me if a private garage where I store my car and for which I pay rent would be considered as a public place?

Mr. Garson: I would not think so, because it is not a place to which the public have access as of right. They can go in, but they have no right to be there. Moreover, it is not a place to which you can give the public an invitation, express or implied. You would not be inviting the public to your private garage in the same way in which you would if you opened up a shop to which you impliedly invite the public to go in order that you might do business with them, or to which you would invite them expressly if you write them a circular letter saying, "Come down to our 50-cent sale".

Mr. Fulton: I should like to be clear on the question of whether or not there is a change in the definition of public place. I have the present code and the supplement before me, and it seems to me the new definition goes beyond the present one in that there is now included the possibility of an implied invitation. I am much less concerned about the express invitation, but the implied invitation does extend that definition of a public place rather beyond what it is now. I should like the minister to comment on that.

Mr. Garson: I doubt whether I have any comments in addition to the ones I have already expressed. I thought we might save time if I indicated right away that the new definition was inserted for the purpose I indicated. That is the answer, that it is considered, as the hon. member for Prince Albert has stated in a very useful contribution to the debate today, in the part of the code which deals with public morals and disorderly conduct, to be desirable not to have an unduly narrow definition of a public place.

Mr. Fulton: So, it does go beyond the present one?

Mr. Garson: Yes, it does. The hon. member has the present code there, and he can see it is changed.

Mr. Johnston (Bow River): The minister was pointing out that a public place is a place where the public is ordinarily invited, such as a clothing store, we will say. That is a public place, but does it cease to become a public place at six o'clock, the usual closing time, when the door is locked, or is it still considered a public place?

Mr. Garson: At six o'clock when the door is closed I would say that the invitation had been withdrawn. My difficulty in the case to which I referred was that this was a country general store, and they always stayed open in the evening. My task, which was an extremely difficult one, was to persuade the court that although it actually stayed open, in fact it was closed in law, but I did not succeed in persuading the court on this point.

Mr. Johnston (Bow River): In the minister's case it was supposed to be closed but was not. I am wondering—

Mr. Garson: No, it was not supposed to be closed; it always stayed open.

Mr. Johnston (Bow River): What I have in mind is a store such as a clothing store, or a grocery store, if you like. At six o'clock they lock the door, and then an offence is committed in that place. Is it then defined as a public place?

Mr. Garson: I would not think so, Mr. Chairman, because in most of these cases—this is not always so, but in most orderly communities there are municipal bylaws or other laws which say at what times a shop of that kind can remain open. Or, in the absence of such laws there may be a settled practice on the part of the proprietor to close his shop at six o'clock. The crown by the evidence that is available cannot establish that the place in question is a public place within the language of the section if it cannot prove that it is a place to which the public had access at that time. Well, if the public did not have access, because the door was closed, and the public were not there by invitation, because the door was locked and they had been excluded, and the public were not there by any implied invitation because the shop was actually closed—

Mr. Johnston (Bow River): It ceases to become a public place when the door is locked?

Mr. Garson: Yes, I would think so.

Mr. Power (St. John's West): Would the minister care to widen the definition of public place? "Place", to my mind, indicates some fixed portion of the surface of the globe, and I doubt whether this definition would include a moving vehicle.

Mr. Garson: Well, as we go on through the other clauses of this part of the code my hon. friend will see that in the case of which he speaks, the moving vehicle, if a person were disorderly there or committed an offence there, it might not be desirable to have them open to prosecution under this part of the code. In other words, if he will observe carefully as we go through this part IV of the code to see whether there is any other clause in which a reference is made to a public place which in his opinion should include a moving vehicle as being a public place in that clause, we might discuss then the point which he now raises.

Mr. Johnston (Bow River): Is this section the same as it was before, or is there a new interpretation?

Mr. Garson: No; as I indicated when I began my remarks in response to questions asked by the hon. member for Nanaimo and again in response to the hon. member for

Kamloops, there is a change in the wording. The wording in the present code is as follows:

"Public place" includes any open place to which the public have or are permitted to have access and any place of public resort, . . .

Mr. Ellis: I have one point. Would a piece of property, for example, a vacant lot, be considered a public place if it were trespassed upon, that is, if the people who were on the lot were there without the owner's permission? It is private property. Those who are on that property at that time are not there with the express permission of the owner.

Mr. Garson: No; I think not, because it would not be a place to which the public have access as of right.

Mr. Fulton: Or by invitation.

Mr. Garson: Or by invitation. My hon. friend says it is a place privately owned. I do not think it should be a public place, because if a gentleman or lady wishes on occasion to be disorderly on their own property and not disturbing others—

Mr. Fulton: There is a limitation to the present definition, because although it does seem to me the new one goes beyond the old one in its reference to implied invitation, yet, if the minister is correct, a vacant lot in or near a city, upon which in fact a trespass was committed by an individual going there without consent, would not now be regarded as a public place for the purposes of the act. I think that is a limitation on the present definition which says that a public place includes any open place to which the public have or are permitted to have access. Therefore if a vacant lot near a city is one which was not fenced and it was the custom of the people to cross there, to take a short-cut, and the owner never objected, never put up a fence and made no effort to keep them out, then it seems to me the definition of that property in the present code would be a public place. I rather doubt whether, under the new one, that is so, unless we get into this business of the quite complicated matter regarding implied invitation. You would have to hold that there was there that implied invitation merely by the absence of a fence, would you not, in order to hold it a public place under the new section?

Mr. Diefenbaker: Is not that situation covered by section 160 (1)? Section 160 reads:

Every one who
(a) not being in a dwelling house causes a disturbance in or near a public place,
(i) by fighting, screaming, shouting, swearing, singing or using insulting or obscene language,

[Mr. Garson.]

And so on:

is guilty of an offence . . .

The essence of the offence is not being in the public place. The essence of the offence is creating the disturbance.

Mr. Fulton: That is right.

Mr. Diefenbaker: If a disturbance were created on a vacant lot, so long as nobody was disturbed, there would be no offence. If there were a highway adjacent to the lot or a street adjacent to it where people ordinarily congregate, there would be no offence. You can howl to high heaven so long as nobody hears you. You can participate and make all the noise you may on a lot or in any other place provided there is nobody in the neighbourhood who actually overhears you, or is disturbed by what he sees or shocked by what he imagines.

Mr. Garson: Yes. In other words, as I indicated to the hon. member for St. John's West, the definition of public place here has to be read in conjunction with the sections in which that term occurs in the manner in which the hon. member for Prince Albert has just suggested.

Clause agreed to.

Clauses 131 to 133 inclusive agreed to.

On clause 134—*Instruction to jury.*

Mr. Diefenbaker: This section is really the incorporation of the rule of procedure that has been in effect throughout the years since 1870, whereby a jury is warned that it would not be safe to convict in the type of case referred to, and in particular rape, attempted rape, and the like. Will the minister say why it was considered necessary to incorporate this section in the code as actually substantive law?

It has been in force throughout the years as a necessary and requisite course to be followed. It has occurred to me as being rather anomalous that a judge tells a jury that it is not safe for them to convict, that it is dangerous. Today under the rule of procedure the judge usually says that it is dangerous to convict of rape or attempted rape on the uncorroborated evidence of the prosecutrix, and then ends up by saying that the jury is entitled to find the accused guilty if it is satisfied beyond reasonable doubt that the evidence is true.

Why was it considered necessary that such an anomalous rule of procedure be incorporated into the law? It was accepted by the courts that it was requisite, that it was necessary even though it was not part of the law.

Mr. Garson: My hon. friend's question is a very good and penetrating one, if I may say so, because it does seem on the face of it that there is no particular reason for incorporating in the code what has been a well-settled practice which judges have followed. My hon. friend will recall that in the case of rape, the judge was required to warn the jury that it was not safe to convict on the uncorroborated evidence of the female victim unless they were satisfied beyond a reasonable doubt that her evidence was true. Corroboration was not required in the case of rape but it was required in the case of carnal knowledge. We thought that there was no way in which we could justify the requirement of corroboration in the case of carnal knowledge when it was not required in the case of rape.

If my hon. friend will follow this as we go on he will see that what we have done here is to apply this section 134 to both rape and carnal knowledge and also remove the necessity for corroboration in the case of carnal knowledge. I think that with his experience in this branch of the law he will agree that that is proper, that if corroboration is not required in the case of rape it should not be required in the case of carnal knowledge.

Mr. Nowlan: The minister is quite right in saying that it was not required in the case of rape and it was in the case of carnal knowledge, but the courts generally had that in mind and I think they dealt with the situation on a fair basis. I am thinking of clause 142 covering incest, which involves an element of carnal knowledge. I am sure that if this had not been made statutory many judges would have drawn to the attention of the jury that it was dangerous to convict on the evidence.

I had a case last fall where it developed afterward that the girl had been threatened by her mother and made to give evidence against her father so he would be sent to the penitentiary and she could take on somebody else. The girl committed perjury and it was not too easy to break her down actually. The judge warned the jury that they should not convict on the evidence of that girl.

If you make it statutory, will we not find ourselves in a situation where the judge will look at section so and so and will say that under that section he has to give a warning? He will decide that this applies only to sections X, Y and Z, it does not apply to incest or to this particular case, and that the parliament of Canada must have decided that a warning should not be given in that particular case.

Although I follow the reasoning of the minister I think that unless it is provided for in other ways we may be creating an injustice by freezing it by statute instead of leaving it to the jurisdiction of the court as it has been heretofore.

Mr. Diefenbaker: The hon. gentleman has raised a very pertinent point there and perhaps the minister would be able to explain.

Mr. Garson: I do not think I can give any further explanation than what I have given already.

Mr. Nowlan: What would happen under clause 142, the incest section, if that is not included in the statutory provision?

Mr. Garson: If my hon. friend is of the opinion that 142 should be included, it would be a simple matter to add the figures "142" to clause 134. Will my hon. friend not agree that in all cases of the character of those we have been discussing, where the nature of the offence indicates an absence of witnesses as a rule and where therefore the accused is in a very awkward position indeed if the lady in the case has any reason to try to point to him untruthfully as the guilty person, in such a case it is her evidence against his evidence? The royal commission, the Department of Justice, the other place and the committee of this house which examined this provision during the last term of parliament all felt that by their approval of this clause 134 in all these cases, rape and carnal knowledge alike, the practice as indicated in 134 should be uniform, and that there should not be one practice for carnal knowledge and another one for rape.

If my hon. friend thinks that this provision should apply also to incest, perhaps when we come to clause 142 dealing with incest we could revert to 134 and consider including incest among the offences covered by clause 134. In my opinion, however, incest is in a somewhat different category because those who are concerned are bound together by familial connections and it would seem less likely that the accused would be falsely charged.

Mr. Nowlan: That is the very reason why I brought up this point. My experience may have been unfortunate, but I happen to be mixed up in three defences of that charge. One does not want to even suggest that there might be extenuating circumstances; but, as the minister said a moment ago, there are opportunities for pressure to be exerted in a family. As I say, I have seen a case where through intimidation a little girl went on the stand and gave evidence which was absolute perjury. Of course, this sort of thing happens in families of a rather poor type and where other elements enter into

the question. In one case the woman wanted to get a divorce; in the other case the woman wanted to send her husband to the penitentiary in order to get rid of him.

I feel quite strongly that it should be included in the provision because I am afraid that otherwise the courts will say that up to now it has been the practice. Within the last few months I have heard a judge tell a jury that they should not convict, that it was dangerous to do so. But I am afraid that with this provision the judge will say, "Under the old law I would have told you not to convict, but since the parliament of Canada has expressly taken out that section, you do what you like".

Mr. Diefenbaker: In support of what my hon. friend has said, may I direct the attention of the minister to the fact that this general rule applies to all sexual offences except those that require specific corroboration. In other words, it was a requisite for a judge to warn the jury of the fact that it was unsafe to convict, that they ought not to do so, but that if they registered a conviction, the conviction was a proper one. Parliament, having chosen to apply this general principle to clauses 136 and 137, and subsections 1 and 2 of section 138, would not a judge be justified in concluding that thereby parliament in its wisdom had decided, in the case of offences covered by section 142, that such a direction was unnecessary?

I feel the department should have given consideration to the point raised, because unless consideration is given by parliament we will find ourselves in a position where the court in one province will have decided that a warning is necessary, and the courts in other provinces will decide the warning is not necessary, and before the question is determined it will finally have to go to the Supreme Court of Canada.

If we want to preserve the benefit of the rule which experience has shown is necessary in order to protect an accused who is innocent from being convicted by those who by design invent a story, which is simple to invent and difficult to rebut, surely we do not want to remove that protection which the accused who is innocent has under the rule of practice in effect today.

The Minister of Justice says, "Well, the commission did not refer to that and it was not referred to in the examination made by a committee of this house or the committee of the other place". That may be so, but it is in circumstances such as that that lawsuits are created, and certainly I do not believe parliament intends to take away that element of protection against the kind of unfounded charges frequently to be found in families when wives decide that they wish to dissociate themselves from their husbands, and, as a result of direct or indirect influence, children in that family develop antipathy toward their fathers which ultimately finds them making allegations which they swear to but which later on they regret.

I feel the minister might give consideration to the point raised by my hon. friend, for certainly I would be loath, while not desiring in any way to defend individuals who commit these terrible offences, to allow the bulwarks of the law to be broken down and an innocent man convicted because of the absence of the warning which experience over 100 years under British law has shown to be necessary and which should be thrown around the accused.

Mr. Garson: We would be very glad to consider that. There is one difficulty of course. What we have been discussing are matters which include incest, which is dealt with in clause 142. I believe my hon. friend, upon reflection, will recall that incest, at least as between adults, differs from rape and some types of carnal knowledge in that it implies consent upon the part of both parties and therefore the lady in the case, who is giving evidence against the gentleman, will be an accomplice, because in most cases the offence of incest could not be committed without her voluntary participation. The general rule would then apply that evidence of an accomplice could not be used unless it was corroborated. I think that is one of the difficulties.

Mr. Nowlan: But surely the minister is up against the same thing under clause 131, which makes statutory provisions with respect to evidence of an accomplice. It does not include incest, though I would be perfectly happy to see it included in clause 131.

Mr. Garson: Which subsection is my hon. friend referring to? Would it meet my hon. friend's wishes if clause 142 were included in clause 131?

Mr. Nowlan: I have not thought it all through, but I think it would be better that way. There is no doubt she would be an accomplice, if she were old enough, mature enough, or had reached the age of consent, but you would not have the protection you have now because it is barred under the other section.

Mr. Garson: I am quite agreeable to allowing this present section to stand. I know we would all want to have it in as good shape as possible, and if any other ideas

occur to either the hon. member for Prince Albert or the hon. member for Digby-Annapolis-Kings, and they will be good enough to pass them on to me, I shall be glad to have them. I believe if incest is taken care of in clause 134, that clause will then be adequate.

The Chairman: Shall clause 134 stand?

Some hon. Members: Stand.

Clause stands.

On clause 135—*Rape.*

Mr. Nesbitt: Mr. Chairman, the remarks I am about to make regarding this clause also apply to clauses 136 to 149 inclusive. The minister is planning to set up a royal commission to study the question of insanity, and my suggestion, which I have discussed with many other hon. members in this house, is that this same royal commission might very well make a study of the various sexual offences covered in clauses 135 to 149. My reason for making this suggestion is that when persons accused of such sexual offences come up before either the police court, the county court, or the Supreme Court of Canada, they invariably present a great problem to law enforcement officers and judges in regard to sentence.

I have had some little experience in this matter, having been connected with them in the past as a crown attorney, and repeatedly, every time anyone is charged with any of these unpleasant sexual offences, the defence has been submitted that they cannot help what they are doing; that they are really nice people who have this aberration and they cannot control themselves. I know quite well that many judges and magistrates are loath to use extreme penalties when they feel the person before them may be sick in some way. On the other hand, many other judges will, to use the vernacular, go to town on them and mete out a very heavy sentence.

I do not believe there are many hon. members in this house who know anything about this subject. It is a matter which only doctors and psychiatrists know anything about, if they do, and I believe all these clauses should be referred to this royal commission.

The royal commission would of necessity be composed of the same people, but if they are looking into the matter of insanity I believe they should at the same time look into these sexual offences which concern people who are mostly emotionally unbalanced or emotionally unstable.

I believe it would be of considerable assistance to us if we knew more about these offences. These clauses as they now stand were taken mostly from the old code which derived originally from the old ecclesiastic code of the Middle Ages.

According to reports we read in newspapers and periodicals, these sexual offences are being given a great deal of study, and it seems to me that this whole matter ought to be considered by this royal commission because we would then have more knowledge of the facts than any hon. member now possesses. These offences, which we sometimes read about in newspapers and periodicals, occur much more frequently than many hon. members are aware, and anyone who has ever been connected with law enforcement at one stage or another will agree that a great many of these offences are hushed up, or something of that nature, and do not even appear in the press. For that reason, and because of the rather offensive nature of most of these offences, I think that we ought to have a little bit clearer knowledge of what should be done about the matter. Should these people have more severe penalties in order to put them out of circulation? I fully realize that at the end of the code there is a new section which calls for preventive detention for people of this nature. But on the other hand, if these people can receive some type of medical treatment which might prevent them from committing offences like this in the future, should such treatment be prescribed by law? If they can be cured—it may not be possible; I do not know—should that course not be followed? I think the matter ought to be looked into by this royal commission. I was wondering whether the minister would take it under consideration?

Mr. Garson: I think my hon. friend's remarks might be more pertinent when we get to the section towards the latter part of the code—if I remember rightly it is section 661—which deals with criminal sexual psychopaths. From his experience I think he will agree with me that many of the cases of rape do not present any evidence at all of insanity. The accused are not criminal sexual psychopaths. They are just rapists or criminals in the ordinary sense. When we set up a royal commission to consider insanity as a defence to a charge for criminal responsibility, I would take it that we are not confining it to charges involving criminal responsibility for any specific crime but that it is criminal responsibility generally, and would include particularly charges of the nature of the one he has described. They are sexual in nature but of such a character that there is indication of more than normal sexual excess. It is excess to the point of insanity. While I think the commission would

do it in any event, it would be quite worth while to follow his suggestion to make sure that the commission will consider insanity as a defence to criminal responsibility for sexual offences and in relation to sexual offences.

Mr. Winch: I completely agree with the suggestion that this entire section could very beneficially be referred for study to a royal commission or to one of the commissions or committees that have already been established. I sincerely hope that the minister will give some more thought to this matter and see whether he could not possibly do that at this time. I do not think that a great many changes have been made, and that fact at least leads me to the belief that perhaps all the thought that should be given to this most serious problem has not yet been given to it. However, in dealing in particular with section 135, as it may be a long time before we again see the Criminal Code up for amendment, I feel that we should have a thorough knowledge of each section and that, if we have any doubts, we should ask the minister to explain. I have one with respect to section 135, and I may tell the minister that I am not being facetious. The section reads:

> A male person commits rape when he has sexual intercourse with a female person who is not his wife,
> (a) without her consent, or
> (b) with her consent if the consent
> (i) is extorted by threats or fear of bodily harm, . . .

That is rape, according to the section, and the man is liable to imprisonment for life and to be whipped. May I say, Mr. Chairman—and through you to the minister—that it is rape if a man holds a gun or a knife on a woman and demands and takes sexual relations. What is it if a female holds a knife or a gun on a man and demands sexual relations? Is that also rape? If so, how is it covered? I do not see how it is covered under section 135.

I said, Mr. Chairman, that I was not being facetious, and I am not. I am very serious. I have never heard of any such incident in Canada but in the United States, within the past 12 months, there has been case after case—and in the courts the matter has come up—where a young man in a car stopped and picked up girls. I am thinking of two cases now, one where two girls were hitchhiking and one where there were three girls. One of the girls drew a gun, held the gun on him and said, "Sexual relations or we blow your head off". Those are matters of fact and of record. Is that rape? I think it is a question that should be raised here and one on which we should have some information, namely as to whether it is rape on one side and is not rape on the other. If we had—and I hope we never shall—any such crime in Canada, how would it be handled? I do not see how it could be handled under the sexual offence sections from section 135 on, because all the reference is to a male and not a female. Would the minister comment on that matter?

Mr. Garson: I can quite appreciate the fact that my hon. friend is not facetious in the matter at all. However, I must say that I have reached the years of discretion in Canada without ever having heard of such a case as this until this very minute.

An hon. Member: Oh, that kind of case is restricted to British Columbia.

Mr. Garson: I did not think this type of case had occurred in Canada. I understood the ones referred to were in the United States.

Mr. Winch: I said I did not know of any such cases in Canada, but there have been numerous newspaper reports of such cases in the United States.

Mr. Garson: If we had a case of that kind in Canada I think we might well consider amending our code. But in the meanwhile, of course, the ladies, if they had been in Canada, or doubtless even in the United States, could only have been convicted of rape if their pointing of a gun was sufficient to convince the man in the case that the benefit of sexual intercourse was the lesser of two evils; and it would not be until the intercourse itself had taken place that the offence of rape would have been committed. If it were committed and the male victim, who under the circumstances could be forgiven for not being too gallant in the matter, went and informed the police, I should think there are other sections under our code which could be invoked. For instance, the use of firearms to intimidate in that way would be an aggravated assault; and I would think that if not rape, some other offence could be charged and could be proven and that probably after the charge had been proven the court would have considerable latitude with regard to punishment for that offence. Thus if the court took quite a dark view of what had happened—and I must say that I would not blame it if it did—it could impose a fairly stiff penalty upon the accused ladies.

Mr. Knowles: Ladies?

Mr. Cameron (Nanaimo): Mr. Chairman, I would suggest that, biologically, it is possible for the male to be seduced but not for him to be raped. However, to deal with the question raised by the hon. member for Oxford, I should like to quote from a book that I happened to be reading just now and which

bears on this particular point. I might say to the minister that its main thesis is the deplorable tendency of centralized government to attract potential delinquents to positions of power. This is the paragraph that I think has a bearing on this suggestion:

> Since the advent of penal psychiatry, punishment as a means of dealing with delinquents has come to exist at two levels. On one hand we have the attempt to rationalize existing legal and administrative penal methods: on the other, the prisons and the courts as they are. The attempts to apply science to the prevention and cure of delinquency, so long as they are institutional and official attempts, have to be ingrafted on a system which assumes that social misconduct is the outcome of deliberate and malicious choice, and that such choice is best deterred or altered by confinement in the company of other delinquents, under conditions of squalor and idleness, and under a discipline designed to undermine self-respect and sociality.

I suggest that this broad criticism of our method of handling criminals is particularly applicable to these cases now under discussion and that we might well consider the suggestion of the hon. member for Oxford and refer the matter to the royal commission which is to deal with insanity and psychological imbalance.

Clause agreed to.

On clause 136—*Punishment for rape.*

Mr. Shaw: Is it proper for us to proceed with these sections that involve whipping? Was that not to be the subject of special consideration?

Mr. Garson: Yes, it is proper. With respect to all those matters that are to be considered by the joint committee of the house and the other place on the one hand, including corporal punishment, and, on the other hand, with respect to insanity as a defence to a charge involving criminal responsibility which is to be considered by the royal commission, the understanding was that we would pass the sections in the present code in order that we might have laws in effect regarding these offences. When the reports of these other bodies become available the government will take the responsibility of introducing legislation to reflect those reports or, if it does not think fit to do so, it will be open to members of the opposition to do so.

Mr. Knowles: I believe this point has been answered before but I am not too sure. Is it clear that these punishments are maximum punishments and that it is not necessary for the court to impose the full punishment in all cases?

Mr. Garson: That is quite right. That is quite an important point. They are all maximum punishments and there is no minimum so that the court has very wide discretion in all these cases.

Mr. Knowles: And where two punishments are named, for example, imprisonment for life and whipping, it is within the competence of the court to impose one without the other? The word "and" does not require that the punishment shall include both?

Mr. Garson: They are liable to either or both.

Mr. Johnston (Bow River): Should the word "and" not be "or"? I can see that the word "liable" leaves it to the discretion of the court, but from the way the clause is worded it does seem to me that once a life sentence is imposed it automatically carries whipping with it. The conjunction "and" certainly indicates that the court has no option.

Mr. Garson: No, I think this is the proper interpretation. They are liable to life imprisonment and they are liable to be whipped, but that liability is governed by the discretion of the court and the court can impose either life imprisonment or whipping or both.

Mr. Knowles: To come back to the other point raised a moment ago, it is understood that the committee in agreeing to these sections involving whipping is not really enacting these provisions in the normal sense. We are just carrying forward what is now the case subject to the report of the committee. Perhaps I might qualify that to some extent. Imprisonment and whipping actually represent a reduction in the punishment from what previously was in the code.

Mr. Garson: Yes. I spelled it all out very carefully when I moved second reading of the bill, and it is all on the record. I said that we would pass these sections, and then I outlined the responsibility that the government was taking in relation to the reports of the joint committee and the royal commission. My hon. friend will see the whole thing set out there *in extenso.*

Mr. Ellis: Would it not be more convenient to allow these sections to stand?

Mr. Garson: No. I explained that before but probably I had better do so again. When we are bringing in a consolidated code we have to repeal the existing code in order to put the new one into effect. We cannot have them both in effect and—

Mr. Knowles: You do not like leaving a vacuum.

Mr. Garson: No—if we do not continue these sections involving corporal punishment,

capital punishment, lotteries and insanity in the new code after we shall have repealed the old, we shall have a lacuna. There will be a gap there. The understanding on this point was all spelled out very carefully on second reading of the bill. It was understood that we would pass Bill No. 7, including the sections dealing with these subject matters, upon the understanding that the government would bring in amending legislation based upon the reports of the royal commission and the joint committee in accordance with their recommendations and if those recommendations carry the judgment of the government. It was also understood that if we did not we would expedite consideration by the House of Commons of any legislation which members of the opposition might wish to introduce to carry these recommendations into effect.

Mr. Fulton: Or private members on the government side.

Mr. Hansell: May I ask the minister whether any particular consideration has been given under this section to the age of the person against whom the offence is committed. This section simply lumps together all those who commit the offence and says that anyone who commits rape is guilty of an indictable offence and is liable to be whipped. What I have in mind is that there have been cases of the offence having been committed against children three or four years old.

An hon. Member: Clause 138.

Mr. Hansell: My point is that if the offence is committed against a child up to five or six years of age, an age where the child cannot be said to be in any way accountable, the offence to my mind is serious enough to involve hanging. Has the minister any comment to make? Would he care to increase the penalty for that particular crime?

Mr. Garson: Under the present code, rape as an offence carries the penalty of death. I believe I am right in saying that in the whole history of this country there has been only one case in which a sentence of death was imposed, and in that case the sentence was commuted.

Mr. Knowles: When was that?

Mr. Garson: Oh, it is many years ago.

Mr. Knowles: In the last century?

Mr. Garson: I think it was before the turn of the century. The sentence of death for rape has never been imposed and carried out at any time in the past no matter how grievous the circumstances were. For that reason we thought it would be better, when that sentence was not being imposed and carried out, to reflect the actual facts in the code by simply making the penalty imprisonment for life.

I offer this only as the opinion of one quite unqualified to speak, but I would think that where the offence of rape had been committed on a child of five years of age, that very fact in itself would be evidence of serious abnormality or aberration in the accused.

Mr. MacInnis: I am in agreement with the hon. member for Macleod that crimes such as he has mentioned, committed against a young person, are heinous crimes; but I believe that the purpose of all our laws is to try to prevent crime and provide a just punishment for certain crimes. My reading on matters of this kind leads me to understand that if you impose the death penalty, it is really an incitement to murder as well as rape. A person would say, "I have gone this far, and if the child lives she can inform on me." The thing to do, then, is to see that she does not live. While I agree wholeheartedly with the hon. member for Macleod as to the heinous nature of the offence, I think we should be careful we do not do something which would incite a still worse offence.

Clause agreed to.

Clause 137 agreed to.

On clause 138—*Sexual intercourse with female under fourteen.*

Mr. Fulton: I should like to raise a point which is involved also in the consideration of clauses 143 and 145. When one reads the new clause 138, and compares it with the old section 301; when one reads the new clause 143 and compares it with the old section 211, and when one reads the new clause 145 and compares it with the old section 213, it will be seen that in all three clauses there is what I think is called the equality of blame provision. I am reading from section 301, which is now clause 138:

> On the trial of any offence against subsection 2 of this section, the trial judge may instruct the jury that if in their view the evidence does not show that the accused is wholly or chiefly to blame for the commission of said offence, they may find a verdict of acquittal.

In other words, when the female party to the act which is the subject matter of the charge may be equally to blame with the male party to the act, then that provision covers it. I notice the provision is carried forward in clauses 138, 145 and 143. If the minister feels strongly about the matter I am prepared to wait until we get to clause 143, but in order to avoid further questions I wonder if he would say why it was kept here and dropped in the subsequent clauses. Was

there some feeling that the girl was less likely to be equally blameworthy in the latter case than she is in this one?

Mr. Garson: I think if the hon. member will raise the point as we get to it, it will be better. He has no objection to clause 138 in its present form, has he?

Mr. Fulton: I shall wait until we come to that particular point, until we get to clause 143.

Mr. Garson: Is the hon. member in agreement about clause 138?

Mr. Fulton: No, I have a question about it. In subclause 2 of clause 138 the age limit is 14 years or more, but under the age of 16, whereas in clause 143 the age limit is 16 but less than 18. The question might be put in this way. Why is it considered that the girl between 14 and 16 mentioned in clause 138 (2) is no more likely to be the prime mover in the performance of the act complained of than the girl between 16 and 18 mentioned in clause 143? In other words, why is not the age limit uniform?

Mr. Garson: Well, the explanation as given by the commission when the report came along to us from it was that a subclause 3 to clause 143, corresponding to subclause 3 of clause 138—

Mr. Fulton: I am speaking of subclause 2 of clause 138.

Mr. Garson: Subclause 3, that is the portion my hon. friend is speaking about, was dropped as being inconsistent with the offence of seduction since the essence of seduction is persuasion.

Mr. Fulton: I am sorry, but the minister has gone back to my first point, which I had agreed would stand until we came to clause 143. I am now on the point involved in clause 138, subclause 2. It will be seen that clause 138 (2) (c) makes the age in question between 14 and 16 years.

Mr. Garson: That is right.

Mr. Fulton: I am pointing out that in clause 143 the age is 16 to 18 years. Why is there a lower age for this offence than for the other one, because it seems to me that the girl is just as likely to be the prime mover in one as in the other. I do not see why the age limit should not be the same.

Mr. Garson: I am afraid I do not understand the point the hon. member is attempting to make. Clause 138 (2) mentions the age of the girl as 14 years, from 14 to 16, whereas clause 143 deals with female persons who are from 16 to 18. There are two different age groups.

Mr. Fulton: The female person is the same in both.

Mr. Garson: No. If the hon. member will look at clause 138 (2) he will see that in paragraph (c) it mentions a female person who is 14 years of age and more but under 16; that is she is in the age bracket 14 to 16. If you look at clause 143, you will see the female there involved is from 16 to 18, which is a different age bracket.

Mr. Fulton: I see that, but why is it not the same age bracket in both cases?

Mr. Garson: Well, because it is regarded, rightly or wrongly, by the authorities as being a worse offence to seduce a girl between 14 and 16 than a girl between 16 and 18. In the one case it is punishable by five years, and in the other case it is punishable by two years.

Mr. Nowlan: You do not get seduction until you get in the higher age brackets.

Mr. Garson: I think it is self-evident. It is a very different thing to seduce a youngster of say 14 years than it is to seduce a young lady of 18. There presumably is more sales resistance in the latter case.

Mr. Fulton: My point is that under clause 143 the age resistance limit is 16.

Mr. Garson: No, it is 16 years or more, but less than 18. It is 14 to 16 in one case, and 16 to 18 in the other.

Clause agreed to.

Clause 139 agreed to.

On clause 140—*Sexual intercourse with feeble-minded, etc.*

Mr. Hansell: I do not want to appear to be advocating increases in penalties, but the offence under this section to my mind is a very serious one. This section deals with offences against feeble-minded persons, and I am concerned not only with the person herself but with what might conceivably be the result of an offence of this kind, namely the bringing into existence of an imbecile child. I am just wondering whether the penalty is high enough. Has the minister given much consideration to that?

Mr. Garson: Well, I think my hon. friend has a point there. Of course these are cases that fall short of rape, but even they are serious offences. The present penalty is four years. We have increased the penalty. In doing so we had to decide whether we should increase it to the five-year bracket or move it up to ten. Rightly or wrongly—maybe we made a mistake—we thought five was enough.

if there is a strong opinion in the house that we should make it ten I would not oppose it, I must say.

Mr. Hansell: Make it ten; it would not be too long.

Mr. Garson: As the hon. member for Winnipeg North Centre said, these are all maximum penalties. Only once in a long while is the maximum penalty imposed, as a matter of fact. If you provided the ten-year penalty it would not necessarily follow that it would be imposed unless circumstances warranted it. If there is a general feeling that it should be ten years, I would not raise any objection at all.

Mr. Shaw: I have very much the same feeling as that expressed by the hon. member for Macleod. This is a most serious thing. Even though it falls short of rape, there is not much difference between the two, and the difference in those maximum penalties which are imposed under sections 136, 137 and 138 is too great. I for one would certainly urge the minister and the committee to give favourable consideration to the imposition of a ten-year maximum under this clause.

Mr. Garson: If either of the hon. members for Macleod or Red Deer would like to move that the penalty be increased I would certainly raise no objection; as a matter of fact I will support it. I think it is a point well taken.

Mr. Shaw: I shall gladly move that clause 140 be amended by deletion of the word "five" in line 26 and the substitution of the word "ten" therefor.

Mr. Enfield: Before this amendment passes I should like to say a word. First, under the old act the maximum penalty was four years. Do we know how often judges have imposed the maximum penalty under the old code? It might be helpful to know that. Second, does the making of the penalty longer or heavier create in the mind of a judge the implication that the crime is more serious? In other words, suppose we do make it ten; will we get any heavier sentences than those we have been getting in the past? It would be some help to know that.

Mr. Garson: I am afraid I could not give my hon. friend any reliable information. These cases are not reported in the law reports, unless some point of law is raised in connection with them. The prosecutions are all conducted by the provincial authorities. They would have the information within their possession and I could not pretend to give any accurate information.

[Mr. Garson.]

With deference, I do not think this is a case where we would need to be too much concerned with the point the hon. member has raised. I think that is a matter of opinion. My opinion is that the maximum penalty which is imposed by parliament is some indication to the judge as to how seriously parliament views the matter, and does influence him to some extent. But judges, being human beings, are affected in different ways by these provisions, and I cannot see that the increase of the penalty to ten years would do any great amount of harm in its effect upon the judge's discretion as to the seriousness of the crime. But it would give the judge a greater discretion in those cases where the crime committed was particularly heinous.

Mr. Nesbitt: I may be of a little assistance in this matter. Several years ago I had occasion to be prosecuting an offence of this nature and had to look up and try to find out what the usual penalties were. As I recall it, the average penalty handed out for this type of offence was between eighteen months and two years.

The Chairman: Is the committee ready for the question?

Mr. MacInnis: I believe that those who were charged with revising and consolidating the Criminal Code did give some considerable thought to the matter of penalties. Perhaps the Minister of Justice would not agree with me on this, but I believe the consensus is that they did revise many of the penalties upward. Where there was a change I believe more were revised upward than downward. After they have given their considered, and perhaps expert, opinion to this matter, I do not think we would be wise in changing it.

I do not believe that we can lessen crimes of this kind by increasing the sentences. The person who would be guilty of a crime of this kind would not be one who would be very likely to consider the law and decide just how far he could go without incurring a penalty. I would imagine that in cases of this kind the imbecility or the lack of normal mental equipment would not differ very much as between the two parties concerned, and that we would be merely punishing a person because nature had not given him the ability to understand right from wrong. I am very much opposed to increasing this penalty.

Mr. Shaw: May I point out two points that arise from the statement of the hon. member for Vancouver-Kingsway. In the first place, I recall that as members of the committee of this house reconsidering this

bill last spring, despite the fact that the bill had been in the hands of a royal commission and the other place we did make alterations in penalties. If that committee reflected any wisdom whatsoever in doing that, certainly the same wisdom would be reflected by this committee in doing the same thing.

Second, while I agree with my hon. friend that a person guilty of an offence of this kind would not likely give heed to the law prior to committing the offence, and it is also true that such a person may be suffering from a mental condition, yet this would be the best possible guarantee we could have of taking that person out of circulation for an extended period of time. I think we would thus be protecting the public from a recurrence of this kind of thing. I intend to bring this up later, but I want to say now that I am not too happy or satisfied with the facilities we have today for taking care of persons who have pronounced mental conditions and who indulge in crimes such as are referred to in these sections.

Mr. Winch: I think there should be some clarification as to what the minister intends by way of procedure. If the minister is going to take under consideration perhaps recommending that either the special committee or the royal commission make a study of this entire matter, then I do not think we should go ahead with any amendment because it may be changed after the report is received.

Mr. Garson: This is an important point which has been raised by the hon. member for Vancouver East. I do not think a matter of this kind would go to the royal commission. It is not the insanity of the accused that is involved, it is the insanity of the woman with whom he has had this sexual intercourse. He may be quite a prudent offender who feels that it is much easier to gain the consent of an imbecile than it is to take a chance by committing rape. He may do this as a matter of worldly wisdom, if that term in its worse sense may be applied. But any disposition we make of this clause will not be in any way affected by the deliberations of the royal commission, since it will be concerned with the insanity of the female victim whereas the commission will be considering the insanity of the accused.

Mr. Nowlan: I want to say that I agree entirely with what the hon. member for Vancouver-Kingsway has said. There are certain punishments outlined here, and I referred to some of them the other evening. Later on I hope to express my own opinion that they have been increased too severely. Under those circumstances I do not think I can vote for an increase in the penalty here.

I realize that when you read the section it sounds like a heinous offence, but these things do happen in rural communities and throughout Canada as a whole. I know this is not a new section, but who is going to determine whether there is feeble-mindedness, insanity or imbecility? I dare say there are some people who think that some of us here are feeble-minded, but we would hate to have that question determined by a stipendiary magistrate. In the older rural sections of this country there are communities where perhaps you might go in and look at the people and think possibly they were not too bright, but they probably think they are intellectual giants. Certainly there would be some who might be convicted under this section.

I think this is a pretty dangerous thing to apply. As the hon. member for Oxford has said, the usual sentence is apparently eighteen months to two years. After all, there are certain types of people who may be a little off mentally but who otherwise are physically normal. As I say, while this sounds like a very heinous offence I still think that five years is heavy enough as a maximum.

Mr. Ellis: How would you define feeble-minded, insane, idiot or imbecile? From a psychological standpoint we can measure the I.Q. of an individual and describe him as feeble-minded, insane, an idiot or an imbecile. Such designations are based on I.Q. tests. What is the legal standard? What is the measuring stick that is to be used to determine whether a person is feeble-minded, is insane, is an idiot or is an imbecile? What protection would an accused have with respect to being charged with this crime?

Mr. Garson: The hon. member for Oxford has had experience as a prosecutor and he might be able to answer that question better than I. I think he will agree with me that the accused does not need to worry too much about the points raised by the hon. member for Regina City, because in order to succeed on this charge the crown not only must prove that the accused has had sexual intercourse but that also the female was not his wife and was either feeble-minded, insane, an idiot or an imbecile. The court must be completely satisfied on this last point.

Not only must the court be satisfied, but if a conviction is registered against the accused and his counsel takes the case to the court of appeal the crown must satisfy the court of appeal that there was evidence before the

court on which the court could find that the lady in question was feeble-minded, insane, an idiot or an imbecile. The whole burden is upon the crown. Even where the lady in question was in fact an imbecile the crown may have a difficult time proving it.

Mr. Nesbitt: I can recall only one case where we were able to prove that the crown's chief witness was an imbecile. That was a case where the girl was 22 years old but was still playing with three-year-old girls.

Mr. Hansell: Those who have spoken in opposition to the amendment appear to believe that an increased penalty would necessarily be imposed, but that is not so. This would be just a maximum penalty, and its imposition would be the responsibility of the presiding judge. I do not think their argument holds good in that respect, but this would impress upon the judge that parliament considers the crime to be a serious one.

I am not allowed to discuss clause 142, but I would point out that the penalty in the case of incest between a brother and sister is a maximum of 14 years. In the case of a male being responsible for the crime he is also subject to whipping. The crime covered by clause 142 is very serious because it is realized that the offspring of blood relatives may be imbecilic.

The same thing could be said in connection with clause 140 which we are now discussing. It might be argued that a man who would take advantage of an imbecilic woman was himself not altogether sane, but that just does not follow. I knew of one case in my previous work where the man was perfectly sane, he knew exactly what he was doing, but it was advantageous for him to proceed because the woman was mentally deficient. I do not feel we are doing the accused any harm, and we would be strengthening the hands of the judge and strengthening the law by providing for a maximum penalty of ten years, even though it is not imposed.

Clause stands.

Progress reported.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. Deputy Speaker: Is it agreed that these divorce bills be taken in one motion?

Mr. Knowles: How many are there, Mr. Speaker?

Mr. Deputy Speaker: Nos. 199 to 249 inclusive. Fifty bills.

Mr. Knowles: Fifty-one, I believe.

Mr. Deputy Speaker: Is it agreed these bills be taken in one motion?

[Mr. Garson.]

Some hon. Members: Agreed.

Mr. John Hunter (Parkdale) moved that the following bills be read the second time:

Bill No. 199, for the relief of Lois Helen Kutzman Caplan.—Mr. Hunter.

Bill No. 200, for the relief of Fernand Constant Daemen.—Mr. Hunter.

Bill No. 201, for the relief of Mary Kazymerchyk Senyck.—Mr. Hunter.

Bill No. 202, for the relief of Rosalie Hetty Arbess Sofin.—Mr. Hunter.

Bill No. 203, for the relief of Lucille Lafortune Wilson.—Mr. Hunter.

Bill No. 204, for the relief of Wilfrid Cote. —Mr. Hunter.

Bill No. 205, for the relief of Janca Fani Pollak Schlesinger.—Mr. Hunter.

Bill No. 206, for the relief of Sadie Marie Ansingh Grosheintz.—Mr. Hunter.

Bill No. 207, for the relief of Douglas Morrison Meldrum.—Mr. Hunter.

Bill No. 208, for the relief of Alec Lenetsky.—Mr. Hunter.

Bill No. 209, for the relief of Dorothy Lilian Asbury Davies.—Mr. Hunter.

Bill No. 210, for the relief of Nicholas Krauchuke.—Mr. Hunter.

Bill No. 211, for the relief of Esther Kohn Rosner.—Mr. Hunter.

Bill No. 212, for the relief of Marguerite Jazzar Nassar.—Mr. Hunter.

Bill No. 213, for the relief of Leona Bobby Denberg Wiseman, otherwise known as Leona Bobby Denberg White.—Mr. Hunter.

Bill No. 214, for the relief of Marianne Roos Axelrad.—Mr. Hunter.

Bill No. 215, for the relief of Margaret Jaunzen Dishler.—Mr. Hunter.

Bill No. 216, for the relief of Pearl Witzling Socolow.—Mr. Hunter.

Bill No. 217, for the relief of Jennie Chun Readman.—Mr. Hunter.

Bill No. 218, for the relief of Gizella Szabo Herczeg.—Mr. Hunter.

Bill No. 219, for the relief of Lilija Hedviga Treimane Jursevskis.—Mr. Hunter.

Bill No. 220, for the relief of John Richard Maher.—Mr. Hunter.

Bill No. 221, for the relief of Elizabeth McDonald Jones Roy.—Mr. Hunter.

Bill No. 222, for the relief of Claire Viola Frechette Ainsworth.—Mr. Hunter.

Bill No. 223, for the relief of Margaret Reta Dodge Parsons.—Mr. Hunter.

Bill No. 224, for the relief of Estella Cluett Jensen.—Mr. Hunter.

Bill No. 225, for the relief of Angelina Natale Beaucaire.—Mr. Hunter.

Bill No. 226, for the relief of Dorothy Miller Osborough Davidson.—Mr. Hunter.

Bill No. 227, for the relief of Marie Rose Gisele Houde Dionne.—Mr. Hunter.

Bill No. 228, for the relief of Olga Pscheidt Arsenault.—Mr. Hunter.

Bill No. 229, for the relief of Edward Robinson Harris.—Mr. Hunter.

Bill No. 230, for the relief of Cathrine Pieternelle Wytenbroek Knight.—Mr. Hunter.

Bill No. 231, for the relief of Anton Bliziffer. —Mr. Hunter.

Bill No. 232, for the relief of Theodore Rolfsmeyer von Berzeviczy.—Mr. Hunter.

Bill No. 233, for the relief of Agnes Broo Hammond Bailey.—Mr. Hunter.

Bill No. 234, for the relief of Emma Antoinette Rachel Lauzon McDuff.—Mr. Hunter.

Bill No. 235, for the relief of Idella Adeline Sharpe Cutler.—Mr. Hunter.

Bill No. 236, for the relief of Walter Leonard Woodward.—Mr. Hunter.

Bill No. 237, for the relief of Marion Shirley Barsky Burg.—Mr. Hunter.

Bill No. 238, for the relief of Florence Elene Thom Ward.—Mr. Hunter.

Bill No. 239, for the relief of William Jean Paul Powroz.—Mr. Hunter.

Bill No. 240, for the relief of Lewis Swailes. —Mr. Hunter.

Bill No. 241, for the relief of Shirley Goodlin Myrovitch.—Mr. Hunter.

Bill No. 242, for the relief of Germaine Lafond Joyal.—Mr. Hunter.

Bill No. 243, for the relief of Kenneth Charles Overbury.—Mr. Hunter.

Bill No. 244, for the relief of Hazel Emily Louise Hunter Naud.—Mr. Hunter.

Bill No. 245, for the relief of Pearl Agnes Harding Potvin.—Mr. Hunter.

Bill No. 246, for the relief of Samuel Goldberg.—Mr. Hunter.

Bill No. 247, for the relief of Nancy Elizabeth Borden Sise.—Mr. Hunter.

Bill No. 248, for the relief of Audrey Madeline Crothers Walklate.—Mr. Hunter.

Bill No. 249, for the relief of Joyce Gowrie Kimber Kendler.—Mr. Hunter.

Motion agreed to on division and bills read the second time.

Mr. Deputy Speaker: Public and private bills having been disposed of, the house will resume the business interrupted at five o'clock.

CRIMINAL CODE

REVISION AND AMENDMENT OF EXISTING STATUTE

The house resumed consideration in committee of Bill No. 7, respecting the criminal law—Mr. Garson—Mr. Robinson (Simcoe East) in the chair.

On clause 140—*Sexual intercourse with feeble-minded, etc.*

The Chairman: The committee was considering clause 140. Shall the clause as amended carry?

Some hon. Members: Carried.

Some hon. Members: No.

The Chairman: Those in favour of the amendment will please rise.

Mr. Fulton: Why is the minister rising?

Mr. Garson: I said I would accept the amendment, and I am keeping my promise.

Mr. Shaw: Mr. Chairman, I would ask that the question be put again. There seems to be a great deal of confusion.

The Chairman: On clause 140 the hon. member for Red Deer moved that the word "five" in this clause be deleted and the word "ten" be substituted therefor.

Amendment negatived: Yeas, 25; nays, 31.

The Chairman: I declare the amendment lost. Shall the clause carry?

Some hon. Members: Carried.

Clause agreed to.

On clause 138—*Sexual intercourse with female under fourteen.*

Mr. Fulton: Mr. Chairman, may I with your permission and that of the committee ask leave to revert to section 138. On an earlier occasion the minister said if there was any point not covered he would have no objection to our reverting to any particular clause. What I omitted to cover is the change in the wording of subsection 3 which also applies to clause 145. The code as it at present stands, and I am reading now from subsection 3 of section 301, which is the section corresponding to this one, reads as follows:

> 3. On the trial of any offence against subsection two of this section, the trial judge may instruct the jury that if in their view the evidence does not show that the accused is wholly or chiefly to blame for the commission of said offence, they may find a verdict of acquittal.

That provision is to some extent relatively the same in the new subsection, except that it reads:

> (2) Where an accused is charged with an offence under paragraph (b) of subsection (1), the court may find the accused not guilty if it is of opinion that the evidence does not show that, as between the accused and the female person, the accused is wholly or chiefly to blame.

Under the present provisions of the code the trial judge instructs the jury that they may acquit if they are of the opinion that there is an equality of blame, whereas under

the proposed new section the court may find the accused not guilty if he is of that opinion. Why is discretion taken away from the jury and made a matter exclusively to be determined by the judge?

Mr. Garson: Mr. Chairman, I think the short answer to my hon. friend's question is that if the case is tried before a jury, in effect the court is the jury. My hon. friend is familiar with the principle that where the case is being tried before a jury, the jury are the judges of all questions of fact. This is a question of fact.

Mr. Fulton: But even so, why is the change in the wording necessary? In the present code it states explicitly that the trial judge may instruct the jury. That is the only way in which it can arise, and that leaves it clearly to the jury.

Mr. Garson: I am sure my hon. friend would agree that in cases of this kind the trial judge would certainly instruct as to the provisions of section 138 (3). He would instruct the jury in all points of law.

Mr. Fulton: The minister states that the court is the jury in this case. I would be a little bit worried about that. I would have thought that "court" would clearly refer to the judge and that the jury were not specifically concerned.

Mr. Garson: If the case is being tried by a jury then it is the jury that brings in the verdict, not the judge.

Mr. Montgomery: I feel doubtful about that. Is it not the case that the court passes sentence after the jury reaches a verdict? It seems to me that raises a bit of a question as to who is the court.

Mr. Fulton: Would it not be clearer if the word "jury" were inserted instead of "court"?

Mr. Garson: No, I do not think so. Depending upon the options which the accused may have taken during the course of the case against him, he may appear before a judge without a jury. Then the term in the section applies to the judge without a jury. Alternatively he may elect a trial by jury. In this case the term applies to the court in a jury trial. In such a case, upon all matters of fact the jury are supreme, but the judge would certainly instruct them, I would think, as to the bearing of this clause 138(3).

Mr. Fulton: I wonder whether I can make one more effort to suggest a change to the minister. Why not make it "the jury or in the case of trial without a jury, the judge, may find the accused not guilty"? I think that would make it perfectly clear.

Mr. Garson: I really do not think it is necessary. This has run a pretty long gauntlet—

Mr. Fulton: I beg the minister's pardon?

Mr. Garson: This legislation has been considered at great length by a number of very capable and experienced criminal lawyers including the members of the royal commission and the members of the committee of the other place, to say nothing of the members of the House of Commons committee. This is the first time this point has been raised. I think it is fairly well taken care of.

Mr. Fulton: I am sure one can find a number of points which are first-time ones, even after the very careful consideration I know the matter has been given. After very careful consideration in two other places, the house committee found a number of points. I am not setting myself up against any of those who have already considered this matter, but I am quite sure there are a number of points which could be raised for the first time and to which it is no answer to say that the matter has been considered by previous committees, and so on. If the minister can say the point was considered and was rejected as not having any validity, then I think possibly I would be disposed to say, "All right, I accept the previous opinion". But the mere answer that the point was never raised before does not seem to me to be a valid answer to what I think is an objection of some substance.

Mr. Diefenbaker: As you know, Mr. Chairman, this provision is applied within the terms of the statute which is in effect today. The judge, after charging the jury generally with regard to the component elements of the offence, concludes by directing them that even if they come to the conclusion that the physical act itself has been committed, the jury may then, even in that event, find the accused not guilty if the evidence does not show that the accused was wholly or chiefly to blame. I find it difficult to understand the reasons that impelled the commissioners to change that section, because no definition has been given for "court". If you look up the section dealing with definitions, you will find that there is no definition for "court".

Mr. Fulton: The jury is not the court. It is not part of the court at all.

Mr. Diefenbaker: It might be argued that the court consists of the judge and the jury but I think that would be going rather far because, in the ordinary usage of the language, the court refers to the presiding judge and the jury is always referred to as the jury. I would also point out this fact. This

clause would seem to indicate that the judge would have to make the finding. It reads:

> Where an accused is charged with an offence . . . the court may find the accused not guilty if it is of opinion that . . .

If you argue that the court means both the judge and the jury, then before the person could be acquitted the judge would have to say, "In my opinion the accused was not wholly or chiefly to blame" but you would also have to have the jury join with him in that finding if after having listened to all the evidence they were doubtful as to whether or not the accused was wholly or mainly to blame. I am afraid that the change in the wording of this clause is going to bring about a number of appeals. Certainly it was clear before. The section has withstood the test of years of experience and there is no doubt whatever as to its meaning:

> On the trial of any offence against paragraph (b) of this section, the trial judge may instruct the jury that if in their view the evidence does not show that the accused is wholly or chiefly to blame for the commission of said offence, they may find a verdict of acquittal.

While the section was permissive, actually in the course of years the matter became one of mandatory direction on the part of the judge. The question had to be left to the jury. Now we change all that. Although we say that the section, as far as its import is concerned, is not to be changed, we substitute a section that is subject to ambiguity.

I suggest that the minister might allow this section to stand because certainly, if you read the subsection literally, you must come to the conclusion that both elements of the court must come to the conclusion that the evidence does not show that the accused is wholly or chiefly to blame. It is difficult enough, on occasion, to get judges to properly charge the jury under the section as it now exists. If, in addition to the difficulties of today, you impose the necessity for the judge to be in agreement, you will raise difficulties that will cause many appeals.

As a matter of fact, it would almost seem that those who drafted this section had in mind the type of conclusion to which the judge must come before he makes his charge in connection with civil actions for malicious prosecution, for instance. Here the judge must come to certain conclusions, and having come to those conclusions he leaves questions for the jury to answer, after first having himself decided the absence of malice, the absence of reasonable and probable cause, or whatever the other considerations are that he must first decide have affirmatively been established.

On the face of the section as it now stands I think a serious ambiguity has been created. In my opinion it is a type of hurdle which we need not build by new draftsmanship when the old section has stood up throughout the years.

Mr. Garson: Mr. Chairman, I do not want to prolong the discussion upon this section. Out of the abundance of caution I have no objection to holding it for the purpose of checking on this point. But with respect, I must say that I cannot agree with my hon. friend, for this reason. If the court is one of a judge without a jury, I think they will agree with me that no difficulty arises. If the court is made up of a judge with a jury, then I do not know how any person could interpret this section as saying that any person other than the jury could find the accused guilty because, in a court with a jury, it is only the jury that can find an accused guilty.

Mr. Fulton: Wait a minute. Surely under certain circumstances a judge might withdraw a case from a jury and make a finding.

Mr. Garson: Oh, yes.

Mr. Fulton: So the judge does have the right to enter a verdict one way or the other in certain circumstances.

Mr. Diefenbaker: He has the right only to direct a verdict. He has no right to withdraw a case from the jury once it is in their custody.

Mr. Fulton: That may be so.

Mr. Garson: I would submit that what we have here is a carefully and intelligently drawn clause which applies both to courts composed of a judge and a jury and courts consisting of only a judge. The clause clearly covers both these cases. I think it is quite clear, but we want to get the very best code we can, and we are quite willing to consider any worth-while suggestion. The suggestion is that we should reopen the section now; but would my hon. friend accept our undertaking that we will give this suggestion the most careful consideration, and if it appears to have merit we will open the section and incorporate what he has suggested.

Mr. Fulton: I will take the minister's assurance on that point, but I should like to make this further observation. Although "court" is not defined in the bill, I do not see how a jury can be held to be part of a court. It seems to me it is the court and the jury, with the court being the judge and perhaps certain executive or administrative officers, but a jury is not a part of a court.

Mr. Garson: May I ask my hon. friend this question? How can a court in a jury trial find an accused guilty except by the verdict of the jury?

Mr. Fulton: The answer is obvious. If there is a jury the court has no right to make any such finding expect by the verdict of the jury.

Mr. Garson: Then may I ask a second question?

Mr. Fulton: If the minister will excuse me—

Mr. Garson: Where under the terms of this clause "a court may find the accused not guilty" how can a court find an accused not guilty without a jury's verdict to that effect?

Mr. Fulton: My point is that the court cannot find the accused not guilty. It is the jury that finds him not guilty. That is why, as the hon. member for Prince Albert said, this section is going to cause great difficulty in its application and interpretation.

Mr. Garson: I am quite willing to consider the suggestion. I think the clause is quite good the way it is, but if my hon. friend will accept my undertaking I will have our experts give the matter very careful consideration.

The Deputy Chairman: Does clause 138 stand?

Mr. Garson: No; it is carried subject to my undertaking.

Clause agreed to.

Mr. Garson: I believe that clauses 139, 140, 141 and 142 were passed, and we are at 143.

The Deputy Chairman: The record shows that clause 139 was passed.

Clause 140 agreed to.

On clause 141—*Indecent assault on female.*

Mr. Diefenbaker: This is another of those sections where the question arises as to whether the elimination of the requirement that the jury should be instructed that it is not safe to find the accused guilty in the absence of corroboration does not in fact remove the need for corroboration. Indecent assault is one of the easiest charges to lay and one of the most difficult to defend. If my recollection is correct, Lord Coke pointed out a long time ago that this type of charge is often laid through motives of malice, revenge, jealousy and so on. Therefore the process of British judicial wisdom through the ages has been to warn the jury that it should not convict on the uncorroborated evidence of the prosecutrix.

The common law has been eliminated under the Criminal Code as it is now constituted. The fact that under section 134 it is provided that this rule of evidence shall specifically apply to sections 136, 137 and 138 would appear to lead one to the conclusion that it is no longer to apply in the case of indecent assault. I am going to press this, because I believe that if it is not made necessary from now on anyone accused of this offence will be in dire jeopardy. No one wants to open the door to the extension of such offences, but on the other hand we in parliament must be very careful that we do not make the laying of such charges an easy way in which to punish one against whom the prosecutrix has feelings of revenge or has other motives for laying ill-founded charges.

I would ask the minister to give the most serious consideration to the question I now raise, for I believe that unless we state that the rule applies in such cases we will in fact be removing from the trial judge a formula and warning which through the years trial judges have found necessary to say in order to protect the innocent from the probable blackmailing activities of those who through the ages have invariably chosen this means to secure their revenge for wrongs done to them, imagined or actual.

Mr. Garson: The point raised by my hon. friend is an important one, and out of the abundance of caution I think we should hold this section in order that what he has said may be checked. I am inclined to think that the law as it is stated here is not changed in any respect from the present law, but as I understand it he is arguing—and I think his argument carries a good deal of force—that when we provide in clause 134 for a certain course of procedure relating to certain sections we impliedly exclude other sections from that course of procedure.

Mr. Diefenbaker: Yes, that is a summary of it.

Clause stands.

On clause 142—*Incest.*

Mr. Nowlan: I take it that this clause will stand on the same basis, because I raised the same argument earlier this afternoon with respect to it.

Mr. Garson: Right.

Clause stands.

On clause 143—*Seduction of female between sixteen and eighteen.*

Mr. Fulton: Why was the equality of blame provision dropped from this clause, when it

is retained in clauses 138 and 145? It was previously in the code with respect to the offence of seduction, that is to say, the clause we were just discussing, subsection 3 of 138. Why was it dropped from this clause?

Mr. Garson: Well, I have already indicated that what would correspond to subsection 3 of section 138 was dropped as being inconsistent with the offence of seduction, since the essence of seduction is persuasion. In clause 143 the age is 18 years. I think in modern philosophy girls of that age are supposed to be able to take care of themselves.

Mr. Fulton: This applies to girls between 16 and 18. Previously, as the minister knows, even although the girl may have to some extent consented, there may still be seduction. It was for that reason the equality of blame provision was inserted. If the jury felt that the conduct of this girl was such that she was equally blameworthy, then they might render a verdict of not guilty. It was felt proper to put that in the original code for the same offence of seduction that is now covered by clause 143. It was there up until now. I can see no change that has taken place in the offence of seduction between the time that clause was put in and now that would clearly justify its removal.

Mr. Garson: Is this not the way in which a case of this sort would work out in real life? In clause 138 the female in the case is of a tender age; in clause 145 the female may be a stepdaughter, foster daughter, female ward or woman in his employment. All these people could be influenced by the relationship of the accused to them. You make the accused liable; then you give him this protection, that the jury could find him not guilty, even if the girl's consent was obtained and intercourse took place, if it appeared from the evidence that he was not wholly or chiefly to blame.

But where you are dealing with the case of a female of 18 years and it appears from the evidence that the accused is not wholly or chiefly to blame, it is hard to see how a court these days would find beyond all reasonable doubt that there had been that persuasion on the part of the accused which constitutes seduction. In such a case there would be just a general verdict of not guilty. The saving clause is inserted in those cases in which the court would normally bear down rather heavily on the accused because of either the tender years of the female or the fact she is an employee or some person under his control.

Mr. Fulton: I agree with the minister that there is some slight difference between the two cases. Still, without going into a long argument on seduction—and I have Tremeear in front of me—I think it can fairly be said that there is a fine borderline between what is seduction and what is not. It was probably a realization of that which induced the draftsman of the original code to put in the protection of this saving clause. There might be a case in which, although the accused had gone through all the motions which would, in the case of a completely innocent girl, amount to seduction, and although technically the girl had been seduced, the jury might come to the inescapable conclusion that her own conduct, while not being such as to involve full consent, had nevertheless led on the accused to the point where he seduced her. It was for that reason the saving clause was inserted.

I cannot get over the fact that this provision has been in the code ever since 1892 in connection with the same offence of seduction as here defined in clause 143, yet the equality of blame provision is now dropped. I do not see any compelling reason for doing so.

Mr. Diefenbaker: As a matter of fact, this creates a strange result. If the female is between 16 and 18 the court may find the accused not guilty if she were wholly or chiefly to blame, whereas if she is between 14 and 16, no matter whether she was wholly or mainly to blame, if she is seduced there is an offence created.

Mr. Garson: Would not the hon. member agree that where the circumstances indicate the accused was not chiefly or wholly to blame, and the lady in question was 18 years of age, no court is ever going to find there was seduction. Is this saving clause not inserted in the other clauses because the court has a strong predisposition in the case of a girl of tender years to take a dark view of the fact that intercourse was had at all? This is an indication to the courts that in a case of that sort, if it can be established that the girl was chiefly to blame, then they should let the accused off.

Although I must say I have not had anything like the experience in the practice of criminal law that the hon. member for Prince Albert has had, it does seem to me extremely unlikely, if the accused were in a position to bring himself within a saving clause like this, that the court would find him guilty of seduction in the first place in relation to a girl of 18.

Mr. Diefenbaker: Why was this provision deleted? It has been in effect, as the hon. member for Kamloops says, for 60 years. When it was brought into effect originally it represented the viewpoint of the courts at the time, and the common law, and had been followed from about the year 1866. During the last

25 years it has been the instrument on a number of occasions whereby the jury has been in a position to bring in a verdict of not guilty. After all, on the basis of equality there cannot be any loaded dice as against an accused on a charge such as this.

We go back to Lord Coke's definition that these are the easiest charges to lay and the most difficult to answer. Anyone charged with them, whether he is acquitted or not, leaves the court with a stigma that does not leave him with the years. This clause was based on the experience of many years, and remains in the British common law and the criminal law as well. The provision should not be deleted from our code without the utmost frankness, on the part of those who would remove it, as to the reasons for its removal. The removal of the provision will make possible the conviction of those who should be found not guilty.

Certainly, we should not widen the scope so those who are morally innocent, though physically guilty, will thereby be convicted. If we wanted to widen the scope, then there was no justification for the addition to clause 138. If there was any justification for subsection 3 of section 138, there is every justification for the same type of subsection in section 143.

It occurred to me, Mr. Chairman, that these commissioners might have kept records when they made the examination of the sections in question, giving their reasons for the changes. I have seen nothing to indicate the reasons for these changes. I feel that the committee of this house should be fully advised; for certainly on the basis of practice in the courts changes such as these, while they may appear to be advantageous at the moment, usually have one result, namely numberless appeals in order to once more re-establish what the law is. That law, having been established over a period of 60 years, and having been dealt with by various courts, ought not seriously to be changed unless there is good reason for it.

Mr. Fulton: May I say a further word in favour of the reinsertion of this paragraph? I refer the minister to the authority of Tremeear, fifth edition, at page 206, where it is said:

> Without consent there can be no seduction.

So you do lay a charge of seduction if there has been consent; otherwise it is rape. Therefore it is obvious that there must be the possibility of blame attaching to the female party to the act. I should think it very possible that consent might be freely given, and then a change of heart take place and a charge of seduction laid. It is not easy for judges and juries to decide in these cases, because this sort of offence is not committed in public and we do not have the opportunity of knowing exactly what went on except what the parties say.

That, it seems to me, is the reason this provision was put in, that if the accused could bring outside evidence of other actions or any other evidence which would indicate that the girl was not seduced, that in fact she herself was largely responsible for the position she subsequently found herself in, that evidence would exonerate the man. That was a sensible provision in the code before, and it would be sensible to continue it in the present revision.

Mr. Barnett: I rather hesitate to interject any remarks into this discussion but on listening to it I fail to see why the protection for the accused which my learned friends are apparently seeking is not provided in section 131. I personally would like to have their views as to whether section 131 does not in fact provide the protection they are seeking.

Mr. Fulton: The explanation is very simple.

Mr. Garson: The suggestion which has been made by the last speaker is a good one. Section 131 provides:

> No person shall be convicted of an offence under section 140, 143—

That is the one we are discussing here.

> . . . upon the evidence of only one witness unless the evidence of the witness is corroborated in a material particular by evidence that implicates the accused.

What I put to the hon. member for Kamloops and the hon. member for Prince Albert is this. Where you must have the lady in the case in court testifying, and you must have corroboration; and the court is of the opinion that the evidence does not show that as between the accused and the female person the accused is wholly or chiefly to blame, the court by applying ordinary common sense will not find the accused guilty at all in those cases where the female person is of the age of 18 years.

Mr. Fulton: That is between 16 and 18.

Mr. Garson: At between 16 and 18 they have reached that age of intelligence and sophistication that it is not necessary to retain this saving clause, subparagraph 3 in relation to them, but we should retain it in these other cases under clause 138 where the female person is of more tender age and where therefore the court does not know but that she may have been imposed upon. And we also should retain it in clause 145, where the female person is in a position in which the accused might influence her

because she is a stepdaughter or a foster daughter, or a female ward, or an employee, and so on.

In the other case, where the female person is not in a position to be influenced by the accused and she is of the age 16 to 18 years, and her case cannot be proven unless her evidence is corroborated, and if it appears that on evidence she is chiefly to blame for having given her consent to the intercourse which took place, why then the court would hold and should hold that it had not been proven that the accused seduced her at all, and it would acquit him. I would think that the application to such a case of clause 143 is pretty nearly self-evident.

Mr. Fulton: On the basis of the minister's argument the gentlemen who drafted the code in 1892 were pretty stupid, because they put in a saving clause for exactly the same purpose. As far as the minister's argument is concerned, section 131 is completely inapplicable. While the evidence of one witness must be corroborated in some material particular, that material particular need not relate to the question of whether or not the informant was to blame. The material particular might relate to the fact that the accused actually committed a sexual act. That is corroboration in a material particular, but that type of corroboration does not go in any sense to the question of the blame or otherwise of the informant. And it is that question that we are concerned with here.

Every argument used in justification of keeping it in sections 138 and 145 applies, it seems to me, equally strongly with respect to section 143, because the very nature of seduction, as I have already pointed out on the authority of Tremeear, requires consent. If there is no consent, then it is rape; yet even though the girl consented there still may be seduction.

Mr. Garson: May I ask my hon. friend a question. We all know that the woman's consent has to be secured or the intercourse is rape, and that where consent has been secured to the intercourse by reason of the blandishments of the accused, then the case is seduction; but surely, where the female person involved is of the age of 16 to 18 years in this present day and she does give consent, and it appears that the female person is sufficiently to blame that the court would apply subclause 3 of clause 138 or subclause 3 of clause 145, if the case were being tried under those clauses, the court in these circumstances is not going to find the accused guilty of seduction at all.

Mr. Fulton: The minister is misapplying the clause. The clause does not say the court has to be satisfied that the informant is chiefly to blame. The clause only says that if they feel the accused is not wholly or partly to blame—

Mr. Garson: No, wholly or chiefly to blame.

Mr. Fulton: If they feel that the accused is not wholly or chiefly to blame; that does not mean they have to be satisfied that the informant was wholly or chiefly to blame. What the court is asked to consider or what the jury is asked to consider is whether the whole or part of the blame lies exclusively upon the accused.

Mr. Garson: Not part of the blame. The statute says whether the accused is wholly or chiefly to blame. As a matter of ordinary common sense, I suggest to my hon. friend that where in these present days the lady in the case is from 16 to 18 years of age, if it appears from the evidence that the accused was not wholly or chiefly to blame, the court will find that the case has not been proven beyond all reasonable doubt and will acquit the accused without having to apply such a subsection at all.

But those same considerations do not apply where the female is of more tender years, nor do they apply where the female is employed by the accused or is a stepdaughter or foster daughter and therefore in a position to be influenced by him. In those cases they require this saving clause.

With all due respect to my hon. friend I cannot imagine any court which was of the opinion on the evidence that the accused was not wholly or chiefly to blame not acquitting him, whether this clause was in or not.

Mr. Fulton: That is all very well. We are each entitled to our thoughts as to what the jury would be willing to do. But we are dealing here not with the probability or possibility of what a jury might do under any given circumstances; we are trying to see under what circumstances a man will not be found guilty of seduction.

Mr. Garson: My hon. friend has not stated that correctly. It is not a case of what the court will find. The section reads, "the court may find the accused not guilty." I suggest to my hon. friend that in relation to a female person of the age 16 to 18 years they probably would find him not guilty if the accused was not chiefly or wholly to blame.

Mr. Fulton: That is what they may probably do, but the fact that there was a direction by the judge to the jury that if they considered the accused was not wholly or chiefly to blame they might find a verdict of not guilty would be a most powerful influence on the jury. It would indicate to

the jury that the man who was not wholly or chiefly to blame was not necessarily guilty of seduction, and the jury would act accordingly.

If we in parliament feel that a man is guilty of seduction of a girl between the ages of 16 and 18 even though he may not be wholly to blame, then I think we should put that provision in. If of course we decide that in the case of a girl from 16 to 18 the element of tender years enters in and therefore he would not be guilty or not wholly to blame provided other elements were present, we leave it out. We have to make up our minds what we think should be present in order to constitute the offence of seduction, and whether partial absolution from blame should or should not be a consideration in the minds a jury in reaching their verdict. If we think it should, then I believe we should put in a saving clause. Personally I think we should put it in.

Mr. Barnett: I was listening to this discussion from the point of view of my learned friends although I am not in that category in any sense of the word. It does appear to me that under the ordinary usage of language the word "seduction" means that a person is wholly or chiefly to blame, and that is the offence which is set forth in this section. Unless the blame is proved, there is no offence. With the saving clause in 131 I feel that the accused is adequately protected in the situation that is described.

Mr. Montgomery: I think we should decide what we are trying to do. A minute ago an hon. member brought up this point. If you are a judge holding court, what must the prosecution prove in order to make out a case? Where the male accused is 18 years of age or over—that is point one—and seduces a female of previous chaste character between the ages of 16 and 18 years, the jury could bring in a verdict of guilty when they were satisfied that those elements had been proved. Has the court any other alternative than to find the accused guilty?

Mr. Fulton: Has the jury any other alternative?

Mr. Montgomery: I am thinking of the court as the judge and the jury. Have they any other alternative?

Mr. Garson: Having regard to the fact that the essence of seduction is persuasion by the accused of the female person to have sexual intercourse with him, and that if she is willing to have it without persuasion he is not guilty, will my hon. friend tell us that in a case in which the evidence showed that the accused was not wholly or chiefly to blame there would be any likelihood of the jury finding him guilty of seduction?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The Deputy Chairman: Clause 143.

Mr. Fulton: Mr. Chairman, I do not want to delay the committee unduly, nor indeed to depart from the principle on which we agreed when we first started consideration of this matter, which was to the effect that if any section was controversial we would ask to have it stand. However, I want to make one more effort to try to persuade the minister and the committee that there is validity in the point I am making in connection with clause 143, and that the provision regarding the equality of blame should be maintained in this section as it has been in clauses 138 and 145.

I am not going to rehearse all the arguments we went over before dinner regarding the necessity of retaining that provision on its merits, but I want to put this point to the minister now. He has said it is felt that it is not necessary to retain this provision because one of the elements of seduction is persuasion, and therefore it is advanced as a defence to a charge of seduction that the informant or seducee, if that is the right word, was partly to blame, having led the accused on, and therefore the jury would not convict the accused.

I want to put this before him, that at the present time there are three sections of the Criminal Code in which it is specifically provided that the judge may direct the jury that if they feel the accused was not wholly or chiefly to blame, then the jury may bring in an acquittal. But what happens if you take that provision out of the section dealing with seduction between the ages of 16 and 18? It is left in with respect to the girl under 14. It is left in with respect to a ward, foster child or employee; and I believe a judge could very properly tell a jury that parliament had decided, in regard to the question of the guilt or innocence of an accused on a charge of seduction, that it is no longer to be up to them to consider whether the seducee had been co-operative, or whether the seducee, informant or accusant was in any way responsible, or whether any element of blame attached to her, because parliament has taken that out of this section.

In other words, parliament has decided it will not be relevant for a jury to consider, in arriving at their verdict, whether there is any element of blame or co-operation on the part of the informing person whose seduction is alleged. I believe a judge might very properly say that to the jury, and therefore the jury would not be allowed to consider whether there was any element of responsibility attaching to the girl between the ages of 16 and 18 who was said to have been seduced, by the very fact that we removed this equality of blame provision from this section while leaving it in two other sections. We are in effect enacting a law which will make it incumbent upon judges to tell juries they do not have to consider that aspect of the matter in deciding whether an accused is innocent or guilty.

Mr. Garson: Mr. Chairman, I have tried hard to see the point of view which has been expressed by the hon. member for Kamloops, but what I cannot understand is this. Where the charge is seduction, in that the accused by blandishments has secured the consent of the lady to intercourse; where the lady is between 16 and 18 years of age, and the crown is unable to prove by the evidence that the accused is wholly or chiefly to blame it cannot prove the charge of seduction and the insertion of a saving clause of this kind would therefore be of little use to the accused in such a case.

Mr. Fulton: They are not going to have to prove that in the absence of a saving clause. All they have to prove is that seduction has taken place.

Mr. Garson: One thing my hon. friend must remember is that quite apart from this saving clause he is discussing, whether a charge of seduction or any other criminal charge is laid against the accused, it is an elementary point that the crown has to prove the guilt of the accused beyond all reasonable doubt. The hon. member knows that. That is the A,B,C of criminal law.

If the crown is able to prove the accused's guilt in seducing a girl 16 to 18 years of age, then I, for my own part, cannot see of what use it would be to the accused to have in the clause of the code relating to him a subsection which provides that where the accused is charged with an offence under this heading the court may find the accused not guilty if it is of the opinion that the evidence does not show, as between the accused and the female person, that the accused is wholly or chiefly to blame.

I would point out to the hon. member that this clause is of no help to him, because if the crown cannot show that he is wholly or chiefly to blame they will not get a conviction in the first place; they will not be able to prove an offence of seduction against him beyond all reasonable doubt.

I am sorry, Mr. Chairman, to belabour this point at such great length and I would be more than glad to agree with my hon. friend if I conscientiously could, but it seems to me the commission is drawing a distinction between a case on the one hand such as we have been discussing, of a man who is charged with seducing a girl between the ages of 16 and 18, and on the other hand the case of a man charged with seducing a girl from 14 to 16 years of age, that is of more tender years, or seducing an employee, a foster child, or a ward who is under his influence. In the second case, where the accused is in a position to influence the girl because of her tender years, or because she is dependent upon him in some fashion, then the natural disposition of the court, I believe, and the natural reaction of any of us, were we on the jury, would be to deal pretty severely with an accused person. We would say, "You had no business having to do with this young girl," and we would be inclined to be unduly severe with him unless there was some saving clause in the law such as clause 138 (3) or 145 (2).

For my own part, if I were on a jury my attitude would be very different in relation to a girl between 16 and 18 years of age, if it appeared from the evidence that to use the language of these subclauses 138 (3) and 145 (2), "the accused was not wholly or chiefly to blame" and, as there are only two parties to this intercourse, if he is not chiefly or wholly to blame, then she is the one who is chiefly or wholly to blame. In that case I, for one juryman, would not convict him in the first place. My hon. friend says that he wants this clause put in to protect the accused.

Mr. Fulton: Not to protect an accused, but to protect an accused who is not wholly to blame.

Mr. Garson: All right; to protect an accused who is not wholly to blame. Let us suppose that the accused comes into court, and that it is a very doubtful case in which there is a grave question as to whether it can be proven. If I were acting for him I would rather battle it out upon the ground that the crown had not proven his guilt beyond a reasonable doubt, apart altogether from this clause. But if this clause or this section is in, and if this is what my hon. friend is going to rely upon to protect the accused, then in order to bring himself within this clause, since it is in the law, he must show the court that the evidence before the court does not indicate that the accused is wholly to blame or chiefly to blame.

Suppose you start submitting such a direction to a jury whose members already are having a hard time to decide on the main issue as to whether the accused is guilty beyond a reasonable doubt. Then while they are weighing this evidence you come along and say, "In addition to this problem of having to decide whether he is guilty beyond a reasonable doubt, there is another clause which you must take into account. In the main case you have to decide whether he is guilty beyond a reasonable doubt, but under this clause you must decide whether or not the evidence shows that the accused is chiefly or wholly to blame."

In a case in which adult people are participants in this sexual intercourse, it seems to me that the addition of a clause of that kind does not clarify the issue at all. It obscures it. That was the view of the commission, and this is the clause which came from the commission. None of the committees and legislative bodies that have considered it up to the present time have seen fit to change it. For my part, I do not think it should be changed, notwithstanding the strong pleas that have been made by the hon. member for Kamloops and the hon. member for Prince Albert.

Mr. Fulton: I will have one more go at it and that is all. What would the minister say with respect to the propriety of a judge saying this to a jury: "Seduction has been established. The age of the accused has been established as over 18. The age of the seduced person, a female of between 16 and 18, has been established. Gentlemen, it is no part of your responsibility to consider whether or not the conduct of the female person was in any way blameworthy, because parliament has taken that clause out of that section. Therefore do not direct your attention at all to what her conduct was. That is no longer relevant to the question of whether or not the offence has been committed"?

Mr. Garson: On the point that has been raised, may I say this. If my hon. friend has the volume with the Criminal Code there he will find in it the Interpretation Act, chapter 1, section 21, subsections 2 and 3:

> 2. The amendment of any act shall not be deemed to be or to involve a declaration that the law under such act was, or was considered by parliament to have been, different from the law as it has become under such act as so amended.
>
> 3. The repeal or amendment of any act shall not be deemed to be or to involve any declaration whatsoever as to the previous state of the law.

Mr. Diefenbaker: That does not apply there, I submit with due respect.

Mr. Garson: I suggest that it does apply.

[Mr. Garson.]

Mr. Diefenbaker: With due respect, I submit that it does not apply.

Mr. Garson: The only difficulty that might arise is not with regard to what was done to the law as it previously was. My hon. friend, in relation to the law as established by Bill No. 7, might perhaps be able to emphasize that because there was a saving clause of this sort in clause 138 and in clause 145 but not in clause 143, there was no saving clause in clause 143. But what of it? The crown still has to prove the accused guilty. Moreover, I do not think the hypothetical case which he has posed has any reality. My hon. friend says that if seduction has been proven the judge will say so-and-so. My hon. friend knows that when the judge charges the jury in a case of this sort, he does not wait until they have brought in a verdict of guilty of seduction as charged. The judge charges the jury on the evidence which has been adduced and which is before the jury, and he charges them before they retire to consider their verdict.

Mr. Fulton: All right; I will change my words and say, "In considering whether or not there has been seduction, do not address your minds to whether or not the conduct of the female party was blameworthy".

Mr. Garson: I do not see how he could possibly take that attitude. As I said a moment ago, apart from this section altogether it is the responsibility of the crown—and this is the A, B, C of criminal law—to bring home to the accused his guilt as charged beyond a reasonable doubt. If there is any substantial amount of joint guilt upon the part of the lady in question, then the judge has to charge the jury in respect of that evidence.

In any case where the accused was not wholly or chiefly to blame, within the language of this clause my hon. friend is advocating, there is in my view a very small probability indeed that in these modern times the jury would ever hold the accused guilty; because they would say, "This young lady got exactly what she was looking for and we are not going to hold that, beyond a reasonable doubt, the accused is guilty of the offence of seduction".

Mr. Fulton: I think the minister is resting his case upon a hope rather than anything else.

Mr. MacInnis: Mr. Chairman, I wonder whether a lay person might express his opinion on this matter. It seems to me that, under this section, the previous character of the female is taken into consideration. The section says "of previously chaste character".

The assumption then is that there is no assistance to the other party in the act. If the judge and jury do not find the person wholly guilty of seduction, then they have to begin to weigh to what extent the other party is guilty. It seems to me that under such circumstances—if it was a matter of percentage and they said she was only 15 per cent guilty and he was 85 per cent guilty —they would not say, "We will have to find that he is guilty". What they would say is that she assisted in the act, however little, and consequently they would not find the male person guilty in that case. With my little knowledge of the law I think the character of the woman concerned must be considered; and if she was of previously good character, we cannot assume now that she was anything else.

Mr. Fulton: What about sudden impulse?

Mr. MacInnis: I do not know as much about that as the hon. member.

The Chairman: Shall the clause carry?

Mr. Fulton: On division.

Clause agreed to.

Clauses 144 to 149 inclusive agreed to.

On clause 150—*Obscene matter.*

Mr. Knight: Mr. Chairman—

Mr. Fulton: Clause 150 is to stand.

Mr. Garson: I might say to the hon. member for Saskatoon that there was an understanding that certain sections in which certain members were strongly and deeply interested would be set over, and I think there was general agreement that this was one of them. I know the hon. member for Kamloops gave me notice some months ago that he wished this clause to stand.

Clause stands.

Clauses 151 to 153 inclusive stand.

Clauses 154 to 157 inclusive agreed to.

On clause 158—*Indecent acts.*

Mr. Cameron (Nanaimo): Mr. Chairman, I do not know if I am going to be exactly in order, but on this clause I want to speak with regard to something which took place in British Columbia, and in which either this section or the next one apparently was invoked. I am referring to the charges that were laid and the trials and convictions that took place involving the Doukhobors in British Columbia. I have here the charge as read to the accused in Jubilee labour hall on September 10, 1953:

> You are charged that on Wednesday, September 9, at Perry's Siding you unlawfully and individually did knowingly do an act likely to make a juvenile delinquent, to wit did expose your naked body in the presence of a child or children contrary to the form of statute in such case made and provided.

I gather that particular charge was laid under section 33 of the act relating to juvenile delinquents, but at the same time the prosecutor announced that a further charge was going to be laid under section 205 of the Criminal Code, which is the section we are now dealing with. I gather that it must have been laid because the penalty for an infraction of section 33 of the act relating to juvenile delinquents is only two years, and these people were given three years.

I am not even sure exactly how the presiding magistrate arrived at his authority to impose such a savage sentence because, unless the penalty has been increased, the section of the Criminal Code with which we are now dealing only entails a maximum punishment of six months on summary conviction. My legal friends can correct me if I am wrong.

Mr. Garson: I think I can clear up my hon. friend's point. I think he would find, if it were possible to examine the charge sheets, that the charges were under section 205A of the present Criminal Code, which covers parading while nude. It reads as follows:

> Every one is guilty of an offence and liable upon summary conviction to three years imprisonment who, while nude,
>
> (a) is found in any public place whether alone or in company with one or more other persons who are parading or have assembled with intent to parade or have paraded in such public place while nude . . .

Mr. Knowles: That would be clause 159 of the bill now before us.

Mr. Cameron (Nanaimo): I must admit that I have not seen the charge sheet, but the charge I quoted is as it was reported at the trials in Jubilee labour hall. It is quoted here as being the charge that was laid against them, and it does not indicate that it was section 205A alone that was invoked because it says quite distinctly that they unlawfully and individually did knowingly do an act likely to make a juvenile delinquent. Obviously it must have been the provisions of the act relating to juvenile delinquents that were invoked at least in part, and it is that to which I wish to draw attention.

I know quite well, of course, that it is no responsibility of the Minister of Justice, but I do think some attention should be called to what is really a distortion of the intent of an act; because I think everyone will agree that to twist the sort of nude parading

that the Doukhobors have done into an act likely to contribute to juvenile delinquency is a very grave distortion of the actual intent of the legislation and certainly a distortion of the actual possible effects of that parade. I think it shows a very cavalier attitude toward legislation that such a far-fetched charge should have been laid.

I also think the magistrate who imposed these savage sentences should be subject to some rebuke from some authority. I do not know what authority is the appropriate one, but certainly it was a savage sentence to impose for a nude parade which, after all, was more or less a nuisance. That was all it was; and the very fact that the authorities have repeatedly drawn attention to these nude parades and given them a nuisance value has, I think, created this situation.

On that occasion the magistrate termed these people whom he was sentencing to three years in prison vicious enemies of society. They may be on some other count, but I submit that to call these poor, misguided and obviously psychologically unbalanced creatures vicious enemies of society because they offend against our sense—our aesthetic sense, I suppose; that is probably their greatest offence from what I have heard—is something that I think the government should take some notice of, particularly in view of the fact that there are a number of other circumstances in connection with these cases which indicate that there has been quite widespread disapproval of these court actions.

I have, for instance, a news report from Castlegar dated September 18, indicating that the Castlegar and district chamber of commerce has strongly backed the action of Mr. D. W. Waldie, member of the Doukhobor consultative committee, who resigned as a protest against what he considers this misguided action on the part of the authorities in British Columbia.

The Deputy Chairman: Order. I do not want to interrupt the hon. member's argument. In so far as he is discussing the penalties and the crimes covered by the sections under discussion I would not want to restrain him in any way, but there is a rule of procedure in the house which makes it out of order to make adverse criticism of judges and persons in such positions. I think the hon. member can most likely make his point without either reading other people's criticisms or himself offering criticism of a member of the bench.

Mr. Cameron (Nanaimo): What is the rule that prohibits adverse criticism of judges and magistrates?

[Mr. Cameron (Nanaimo).]

The Deputy Chairman: Citation 305 of Beauchesne's second edition, which reads:

> All references to judges and courts of justice and to personages of high official station, of the nature of personal attack and censure have always been considered unparliamentary, and the Speakers of the British and Canadian houses have always treated them as breaches of order.

Mr. Cameron (Nanaimo): I was making no personal attack on this magistrate. I do not know him from a bale of hay. But I am making a very determined and, I hope, vigorous attack upon his actions on the bench in this particular case.

The Deputy Chairman: That is what I am afraid the hon. member cannot do. With respect to the powers given to a magistrate or judge under this act, the hon. member certainly has full right to say that the permissible penalties are too high; but the way in which a judge exercises his discretion can, as I understand it, only be discussed in the house upon a substantive motion leading to his removal, or something of that nature.

Clause agreed to.

Clause 159 agreed to.

On clause 160—*Causing disturbance.*

Mr. Winch: There is a question I should like to ask in connection with this clause, Mr. Chairman. I hope the minister does not mind, but since I am not a lawyer I have to ask questions in order to understand this act. This clause says that everyone who, not being in a dwelling house, causes a disturbance in or near a public place by being drunk is guilty of an offence that is punishable on summary conviction. The fact that this provision is in the bill, I take it, means the federal government has jurisdiction in that connection.

I have seen the Ontario liquor permits, although I have not one myself, and on the opening page it is stated that it is an offence to permit drunkenness in your own home, or your room in a hotel. That rather intrigued me, so I checked up with the Ontario act, which I now have in front of me, and I find under section 88 of the liquor control act the following:

> No person shall,
> (a) permit drunkenness to take place in any house or on any premises of which he is the owner, . . .
> (b) permit or suffer any person apparently under the influence of liquor to consume any liquor in any house . . .
> (c) give any liquor to any person apparently under the influence of liquor.

I believe the minister understands my point. I should like to know where the actual jurisdiction lies, or is there a dual jurisdiction? How does it happen that there is one section in the Criminal Code creating a

federal offence, and apparently the province of Ontario can deal with drunkenness in a person's own home?

Mr. Garson: The hon. member has asked a rather difficult question, not in connection with criminal law but constitutional law. I hope he will forgive me if my reply is not too comprehensive.

In our federal system the powers of government are divided between the federal government at Ottawa and the provincial governments. The British North America Act, in section 91, sets out those subject matters of legislation which are assigned to the jurisdiction of the federal parliament. In section 92, and in other sections with regard to agriculture and education, those powers which are assigned to the provincial legislatures are set forth. One of the powers assigned to the federal parliament is that of passing laws in relation to crime, and it is pursuant to that power that the federal Criminal Code, which we are now considering, is passed.

Amongst the other powers which provincial legislatures have is that of passing laws in relation to property and civil rights. Since the liquor traffic of a province has to do with property and civil rights, especially when it is under government control, the provincial legislatures have exercised that power to pass laws relating to the sale by provincial governments of spirituous liquors. The rule is that where, as sometimes happens, a conflict develops between a law passed by the federal parliament clearly pursuant to its powers on the one hand, and a law passed by a provincial legislature clearly pursuant to its powers on the other, the federal law takes precedence.

If the hon. member will examine the section he has been quoting, where the provincial liquor law says that a man shall not consume certain liquor in his own dwelling, he will see that it is liquor sold by that provincial government—

Mr. Winch: The section does not say he shall not consume liquor, but that he shall not be drunk in his own home.

Mr. Garson: I was going to deal with that. The hon. member said that he should not consume liquor under certain circumstances; and the only kind of liquor that most provincial liquor systems are interested in a man not consuming, because their business is selling liquor, is liquor which they do not sell. That would be home brew, or liquor imported from another province.

These provisions creating crimes or quasi-crimes are passed lawfully by the provincial legislatures as being ancillary to the administration of the liquor laws of the province. Where a conflict does develop of a nature which has not previously come before the courts, no person is really sure—although lawyers may have opinions—as to which of the two conflicting laws will take precedence until that particular question has been decided by the courts.

In this clause to which the hon. member is referring we have prohibited drunkenness in a public place or outside of the home. We have not prohibited drunkenness in the home, not I think because we have no power to say that drunkenness in the home would be a crime but because we have not thought it appropriate to say that a man may not be drunk in his own home. The fact that we have not so legislated is not an indication that we have not the power. It is an indication of the way in which we have exercised the power we have.

Mr. Winch: That is the very point I wanted to raise. I believe the minister has explained it, because provinces do legislate with regard to liquor and drunkenness. In view of the fact that under clause 160 of this bill we are also legislating on this subject, I was interested in knowing where the precedence lies. Under which legislation, provincial or federal, would any charges be laid?

As the minister noted, I was interested in the Ontario act. Section 88 is not particularly related to the consumption of liquor, but says that no person shall permit drunkenness to take place. There are three subsections to it. I know there is a great deal of interest in royal commissions and investigations of changes in the liquor acts of the various provinces. As we are now amending the Criminal Code I was interested in knowing just where the jurisdiction lies; and when both federal and provincial laws relate to the same thing, under which act are the charges laid.

Mr. Garson: The laws we pass in this parliament in relation to crime—that is, the Criminal Code—are all administered by the provincial authorities, because one of the subject matters of legislation which falls within their jurisdiction is that of the administration of justice, which includes the enforcement of law.

Now, while I am not very well acquainted with criminal law enforcement I would assume that when a given set of facts comes before the crown prosecutor for prosecution he would examine these points and reach an opinion as to whether it would be more appropriate to charge the accused under the Criminal Code or under some provincial statute. If he is charged under a provincial statute which is beyond the powers of, or as we say in law, is ultra vires of the provincial legislature to pass, then the accused

coming into court can say in reply to the charge against him, "Apart from the question of whether my actions fall within this section of the provincial law under which you are charging me, I say that the law itself is beyond the powers of the provincial legislature to enact. It is unconstitutional and void, and therefore you cannot charge me or any man under it".

I cannot be more detailed than that because I think it would be most inappropriate for me, as the Minister of Justice for Canada, to be expressing opinions in this house with regard to any statutes of any of the provinces of Canada.

Mr. McIvor: Is there any place where it is lawful for a man to get drunk?

Mr. Nesbitt: The House of Commons.

Mr. Fulton: The House of Commons is absolutely privileged in that regard.

Mr. Winch: I have an idea that is a civil right.

Mr. Johnston (Bow River): Is clause 160 an old section or a new one?

Mr. Garson: No, it is not new.

Mr. Johnston (Bow River): Is it new in any part?

Mr. Garson: No, I do not think so.

Mr. Johnston (Bow River): Clause 160 reads in part:

> Everyone who
> (a) not being in a dwelling house causes a disturbance in or near a public place,
> (i) by fighting, screaming, shouting, swearing, singing, or using insulting or obscene language,
> is guilty of an offence punishable on summary conviction.

I can understand how fighting, screaming, shouting, swearing and so on might cause a public disturbance. Let us take the Salvation Army. They may be singing on the street corner which may be near a public place, and in the opinion of some people that might be a disturbance. Could that come under this clause?

Mr. Garson: In reply to my hon. friend's question may I say this. First of all he wants to know the derivation of this clause, how much of it is new and so on. This present clause that we are considering combines section 222 (b) of the present code and certain provisions of the vagrancy section, 238, which properly relate to disorderly conduct. The addition of the word "fighting" has made it possible to drop the present section 100 which deals with an affray; and in view of the new definition of public place, the enumeration of the places in which the conduct covered by the section is prohibited has become unnecessary, so that this is a combination and condensation of a number of sections in the present code.

Now, with regard to the second part of my hon. friend's question, as to whether and under what circumstances singing would constitute a disturbance within the meaning of this clause, I would say that in real life the way these prosecutions start is that some person gets quite displeased and angry over a commotion of this sort. If he is angry enough he goes to the police station and says, "Does a peaceful man like myself have to put up with this sort of thing"? The police officer takes down the particulars; and if it were, as my hon. friend suggests, the Salvation Army I think probably the charge would not be laid. If on the other hand it were a party of ten or twelve gentlemen, each of whom had drunk about half a bottle of whisky, and they were singing obscene songs outside, I should imagine they probably would lay a charge.

Mr. Johnston (Bow River): Would that much do it?

Mr. Garson: I do not know whether it would, I am sure. The question as to whether a man has committed an offence has to be proven by the facts in each case adduced in evidence before the court.

Mr. Nesbitt: I have a question with regard to clause 160 (a) (iii) which reads:

> Every one who
> (a) Not being in a dwelling house causes a disturbance in or near a public place,
> (iii) by impeding or molesting other persons;

Then (c):

> loiters in a public place and in any way obstructs persons who are there;

Since molesting other persons seems to be very well covered by paragraph (a) (iii), which deals with impeding or molesting other persons, I am not clear with respect to paragraph (c), which deals with two types of offences. It speaks of "loiters in a public place and in any way obstructs persons who are there." In other words, is loitering in a public place an offence by itself, or do you have to loiter and obstruct persons who are there before you are guilty of an offence?

Mr. Garson: I think a careful reading of this paragraph would lead one to the view that clause 160 (c) covers loitering and obstructing. It is a different offence, really, from 160 (a) (iii).

Mr. Nesbitt: I wonder what the actual difference is between (a) (iii), impeding and molesting and (c) which is obstructing, and whether loitering by itself would be an offence as the old vagrancy charge used to be.

Mr. Garson: No, it is something more than mere loitering. A very slow window-shopping expedition is in itself just loitering, but the offence under 160 (a) is loitering and obstructing at the same time, and I would judge a more continuous offence than impeding or molesting, which could be just a single act of impeding or molesting.

Mr. Nesbitt: It is a continuing offence.

Clause agreed to.

On clause 161 — *Obstructing officiating clergyman.*

Mr. Knowles: Some of the wording of this clause is rather wide. I refer particularly to 161 (2) which reads:

> Every one who wilfully disturbs or interrupts an assemblage of persons met for religious worship or for a moral, social or benevolent purpose is guilty of an offence punishable on summary conviction.

I read that in association with some of the other parts of the clause, and to me it leaves it rather wide open as to what disturbs such an assemblage. The reference is not merely to a religious gathering where one may expect a certain amount of solemnity, quiet and so on. What about a political meeting or a session of the House of Commons, and so on? Does it not go rather far?

Mr. Garson: I would not say so. There is no change in this law. This clause is a combination of sections 199, 200 and 201 of the present code, and there is no change in the law. It has been on the statute books for many years, and as a matter of fact I think it is seldom invoked.

Mr. Knowles: The fact that it has been on the statute books for many years does not necessarily make it good. The minister says that it is seldom invoked. Should we retain legislation which does not seem to have any usefulness?

Mr. Garson: I would not agree that a clause that may not be invoked very often but which would be needed badly when it did have to be invoked should be done away with. We are fortunate that we do not have to invoke it, but I would think any person who disturbs or obstructs a religious meeting should be considered as doing an improper act.

Mr. Knowles: I think there is a distinction that can be drawn between religious and other meetings. This clause goes far beyond religious meetings. Subsection 3 refers to everyone who, at or near a meeting referred to in subsection 2, wilfully does anything that disturbs the order or solemnity of the meeting. It might be a political meeting held in the constituency of Marquette at which the Minister of Justice was speaking.

Mr. Garson: I thank my hon. friend for the compliment in regarding that as a moral or benevolent meeting.

Mr. Knowles: I cannot quite determine whether it would be moral, social or benevolent. In any case I hope it would not be immoral, anti-social or malevolent. If anyone at Shoal Lake or somewhere up in that part of Manitoba wilfully did anything that disturbed the order or solemnity of a meeting being addressed by the minister, he would be guilty of an offence punishable on summary conviction. I confess that if I happened to be at a meeting at Shoal Lake at which the minister was speaking it would be very hard for me not to do something which would disturb the order or solemnity of the meeting, and I am sure the minister would not want to crack down on me. He would probably be glad I was there to brighten up the meeting for him.

Mr. Abbott: I am not sure that that would do it.

Clause agreed to.

On clause 162—*Trespassing at night.*

Mr. Fulton: I do not propose to be an expert in this particular matter, but it has been represented to me that this section, whether deliberately or by accident, does embody to some extent the old common law offence committed by peeping Toms. I have a note here to the effect that up to 1949 the offence of peeping was generally considered to be a common law offence; but then in the case of Frey *v.* Frederuk—I am sorry I do not have the reference—its status as a common law offence was denied.

I am told that the commission's draft, amended by the special committee of the house last year and now incorporated in this bill, just covers the common law offence of trespassing. Clause 162 created an offence very similar to trespass. It reads:

> Every one who, without lawful excuse, the proof of which lies upon him, loiters or prowls at night upon the property of another person near a dwelling house situated on that property is guilty of an offence punishable on summary conviction.

The point which my informant makes is that we should no longer just try to codify the old common law offence of peeping on the basis of trespassing, when it has been decided that peeping is not actually a common law offence and does not have any status under our Criminal Code. In other words, if I read this note correctly what is suggested is that if the offence of peeping is intended to be covered, it must be covered far more specifically than is done by this section.

Merely to introduce a section which makes it an offence to loiter or prowl does not by inference or in any other way make it an offence to carry on the act of peeping while you may be loitering or prowling. It seems to me that if it is intended to cover the offence of peeping we must be far more specific than we are in this section, particularly since the peeper may not stand on the lot on which the dwelling house into which he is peeping is situated. He may stand on a back street or another lot from which he can obtain a view, or he may stand even further off than that and use a pair of glasses or binoculars.

As I have said, I am not an expert either in the technique of committing the offence or in the law regarding it. That is the note which I have received and it seems to me to have some substance. I shall be glad if the minister will say whether it is considered that this section effectively covers the offence of peeping.

Mr. Garson: It was intended that it should, upon the view that in most cases it would not be possible for the peeping Tom to look into a window or that sort of thing unless he had come on the ground of another and was loitering or prowling there near a dwelling house. In the special committee of the House of Commons the majority, which were concerned that they should not create a new offence that would make a criminal out of every petty trespasser, said that the man had to be loitering or prowling near the dwelling house. If he simply crossed the edge of a man's farm or the corner of his lot it would not be an offence under this section.

We gave a good deal of thought to this section. I think it will cover most of the offences at which it is directed; and in those cases where it does not, one wonders whether the offence could be covered without creating more injustice than would result from the offence not being covered. The difficulty in framing a clause of this sort is that of making it apply to the man who is guilty without running the danger of implicating people who are innocent.

Mr. Fulton: What would be the difficulty in defining the offence of peeping and making it an offence rather than the act of loitering or prowling? It is the peeping, the looking in which is offensive. Trespass is something that is punishable quite separately. Surely it is the peeping that is the offence.

Mr. Garson: I am told that one practical difficulty that came up in the committee was that you cannot always get the peeping Tom in the act of peeping. One may suspect he is there for that purpose, but when one goes out to apprehend him and he hears one coming, he is just loitering when one comes up to him. If possible we want a clause that is effective and that can be administered. We have tried to draft it to apply to the likely facts, which are that one comes up to this chap and he hears a rustle or a noise of the person coming to apprehend him, and he is suddenly just there looking around, smelling the chrysanthemums.

Mr. Knowles: I wonder if the minister would comment on clause 162 on another basis. Do I interpret it correctly, that this is another case where contrary to the usual practice the onus is on the accused? The section reads:

> Every one who, without lawful excuse, the proof of which lies upon him—

Mr. Garson: That was put in to protect the accused. The committee spent an amount of time upon this short clause which was really out of proportion to its importance, in some respects, in order to cover this question of peeping Toms. We did not want to adopt a law that would be very unjust to innocent people, and we agreed we would limit its application to those lurking or prowling near a dwelling house, and that it would not even apply if the man found there had a lawful excuse.

Of course, when it comes to giving a lawful excuse the evidence of that is entirely in his possession. If we were to say that the crown had to prove what this lawful excuse was you might as well wipe out the section entirely, because the crown would have no means of proving it. All that would happen in a case of this sort, if a person were found loitering or prowling near a dwelling, he could clear himself by showing that he had a lawful excuse for being where he was.

Mr. Knowles: He would have to produce the chrysanthemums?

Mr. Garson: Yes.

Mr. Hahn: I was wondering if that would not be covered in clause 159, which reads as follows:

> (1) Every one who, without lawful excuse,
> (a) is nude in a public place, or
> (b) is nude and exposed to public view while on private property, . . .

That deals with the main purpose of peeping Toms.

Mr. Garson: I believe my hon. friend has got the wrong end of the equation. It is not the peeping Tom who is nude whom he is looking for on private property.

Mr. Knowles: Apparently clause 162 is directed against the peeping Tom and clause 159 is directed against Lady Godiva herself. However, before we leave this clause I wonder if I may be permitted to ask one more question with regard to clause 161, subsection (2) which reads:

> Every one who wilfully disturbs or interrupts an assemblage of persons met for religious worship or for a moral, social or benevolent purpose is guilty of an offence punishable on summary conviction.

Is there not likely to be a conflict between that and the circumstances covered by what I believe is known as Bill No. 38, which was passed this year by the Quebec legislature? If a peace officer in the province of Quebec, under the authority of that legislation, wilfully disturbed or interrupted an assemblage of persons met for religious worship, what would happen? For example, supposing such an officer disturbed or interrupted an assemblage of Jehovah's witnesses. What would happen then?

Mr. Garson: Why would an officer be interrupting or disturbing them?

Mr. Knowles: He might be interrupting or disturbing them in pursuance of his duty under that Quebec law, and at the same time he might run foul of this clause in the Criminal Code.

Mr. Garson: I am not too familiar with the provisions of the Quebec law, but I must say that offhand I cannot think of any circumstances under which, in carrying out the Quebec law, he would find such action necessary.

Mr. Ferguson: Does this law distinctly say that an officer has no right to interfere? Is that a federal law?

Mr. Garson: Yes, this is the law we are discussing.

Mr. Ferguson: Is it a fact, if this clause is passed, that under the federal law a peace officer will not have the right to interfere with a religious organization? According to the minister's interpretation, is that right or wrong? Let me have your interpretation of the laws you are drawing up. You are making them.

Mr. Garson: I am not.

Mr. Ferguson: I am asking the Minister of Justice for an interpretation.

Mr. Garson: It is very clear from the provisions we are considering here that the application of this subsection is confined to those who wilfully disturb or interrupt. Whether I would apply that to a peace officer engaged in the discharge of his duty is another question entirely. I do not think—

Mr. Ferguson: It is this question. It is not another question.

Mr. Garson: I think I have the floor at the moment.

The Chairman: Order.

Mr. Garson: As I was saying, clause 161 (2) is confined in its application to those who wilfully—

The Chairman: May I remind the minister that we are discussing clause 162, not clause 161.

Mr. Garson: The question—

Mr. Knowles: Since I was allowed to go back the minister should also be allowed to do so, Mr. Chairman.

Mr. Garson: The essence of this present subsection is very clear. It is a case where a person comes in and wilfully, and in a sense maliciously, tries to break up a meeting.

Mr. Knowles: There is no reference to malice here, and I would suggest that the wilful breaking up of such an assembly might very well be the result of following the Quebec law. I am wondering if there is not a conflict between the two.

Mr. Ferguson: If an officer goes into a meeting to carry out his duties under the Quebec law and he thereby wilfully disturbs a religious assembly, is it against the federal law of Canada, or will it be against the law if this clause is passed? Yes or no?

Mr. Garson: I have already expressed the view—

Mr. Ferguson: You gave your views but you did not say whether he could be prosecuted. Can he be prosecuted, according to your interpretation of this law?

Mr. Garson: I think you would have to get legal advice on that.

Mr. Ferguson: We would have to go further than the Minister of Justice in order to get it, I am sure.

Mr. Ellis: Am I correct in understanding that there is nothing new in clause 161?

Mr. Garson: That is right. Clause 161, as I indicated previously, is a re-enactment of the substance of the present sections 199, 200, and 201. If the hon. member will look at the existing Criminal Code he will see that sections 199, 200 and 201 were in the Revised Statutes of 1927, so they have been the law

of this country for at least that length of time and they probably go back further than that.

Mr. Ellis: Can the minister tell us—

Mr. Garson: My assistant tells me the law in that connection goes back to 1892.

Mr. Ellis: —if there have been any prosecutions or convictions under any of these three sections, 199, 200 and 201, since the law has been in effect in Canada.

Mr. Garson: I do not suppose my hon. friend wishes to detain the committee long enough for me to recite these cases, but if he will look at Tremeear's Criminal Code he will find various cases listed there where these sections have been invoked, with full particulars in each case.

Clause agreed to.

On clause 163—*Offensive volatile substance.*

Mr. Diefenbaker: Mr. Chairman, I am not going to apologize for bringing up a matter which has been up before this house on a number of occasions lately, for it is one which I believe deserves the immediate attention of this house. I am referring to the situation created in consequence of the pollution of the waters of the North Saskatchewan river by what is generally believed to be the actions of Canadian Celanese corporation in dumping certain products into the river. On a number of occasions this matter has been before the house—

Mr. Garson: Mr. Chairman, might I rise on a point of order?

Mr. Diefenbaker: Oh, yes.

Mr. Garson: I am sure we are all most sympathetic with my hon. friend in his concern about the condition of the North Saskatchewan river. However, I believe the rule of order is that when we are discussing in committee the clauses of a bill, remarks must be confined to the clause which is before the committee.

Mr. Diefenbaker: That is what I am going to do.

Mr. Garson: I would suggest that there is no apparent connection or relevancy between the condition of the North Saskatchewan river and the clause we are discussing at the present time.

Mr. Ferguson: Premature opinion.

Mr. Diefenbaker: It will not take long, Mr. Chairman, to bring these remarks into direct line with this particular clause and also one which I am asking leave to discuss at the same time, namely clause 165. Clause 163 reads as follows:

> Every one other than a peace officer engaged in the discharge of his duty who has in his possession in a public place or who deposits, throws or injects or causes to be deposited, thrown or injected in, into or near any place,
>
> (a) an offensive volatile substance that is likely to alarm, inconvenience, discommode or cause discomfort to any person or to cause damage to property, . . . is guilty of an offence . . .

That is the first portion of the clause in question. Then the other general clause with reference to nuisances is clause 165, which reads as follows:

> (1) Every one who commits a common nuisance and thereby
>
> (a) endangers the lives, safety or health of the public . . . is guilty of an indictable offence—

I am reading only the pertinent subsection.

> —and is liable to imprisonment for two years.
>
> (2) For the purposes of this section, every one commits a common nuisance who does an unlawful act or fails to discharge a legal duty and thereby
>
> (a) endangers the lives, safety, health, property or comfort of the public, . . .

Those are the only sections of the Criminal Code, as it now stands, which in any way can be enlarged, expanded or amended to cover the situation that prevails today along the North Saskatchewan river.

My preliminary words are directed to asking the minister to permit amendments to these sections to cover the situation that has resulted from the contamination of the Saskatchewan river, as well as the contaminations that are taking place by pollution elsewhere in this country, and in order to protect human beings against the continuance of a situation that is detrimental to their comfort if not to their health.

The government has expressed every desire to be of assistance in this matter. I therefore do not expect that my hon. friend will raise questions of order on a matter that is particularly pertinent to the section, for I am sure he would like to have any assistance that can be given in order to meet the problem which in their anxiety various ministers of the government have stated they would like to meet but which as yet, after 86 days, they have not met.

Someone might say that it is a civil matter, and that it could be met by injunction. That is not in any way an answer to the question, because the problem arises in Alberta but the effect is in Saskatchewan. There are several intervening cities and urban municipalities, a fact which denies that direct causal conclusion which is necessary before an injunction can be secured.

One does not want to inject into the discussion anything in the nature of humorous remarks, but there is no description I know of for the odour of that water; it is one which no chemical treatment has been able to obliterate. A few moments ago I sent out for Coleridge and his description, in a few words, of what 50,000 people have had to put up with in recent weeks. I submit that a slight amendment to one or two of these sections would go a long way toward meeting that condition. Coleridge's words are:

I counted two-and-seventy stenches,
All well defined, and several stinks.

That is the kind of situation with which we are met. We are met too with the argument of divided responsibility. There is no divided responsibility under the criminal law. When the sections in question—and they are unaltered—were passed, the present problems of pollution had not been felt in other parts of Canada as they are being felt today. I have only to refer hon. gentlemen to an issue of *Rod and Gun* of September, 1953, in which appears an article by Reg. R. Fife, who sets forth the need for the Criminal Code being made applicable to the situation created by modern industrial pollution of our streams.

He is dealing with the matter, of course, from the point of view of fishing and, in particular, sport fishing. He goes on to point out that the laws as they are now have no application to present-day conditions. The Fisheries Act does not help us. It provides for a fine of $20 and costs for the first offence and for the second offence a fine of $40 and costs. What great corporation worries about fines like that?

The Criminal Code is one instrument under which proceedings could be taken where the offence is committed, namely near the city of Edmonton. It is one of the means whereby justice can be done on behalf of the people as a whole. As a matter of fact Dr. Lowe Connell, a dentist of Prince Albert, in describing the situation says this:

Prince Albert has taken to liquor,
Our water has all gone to pot
While Edmonton pours in her garbage
And tells us it's all bally rot . . .
In the bathtub, it smells to high heaven
From the taps it's a terrible stink.
The washtub is coated with plastic
And the coffee exactly like ink.

That describes the situation we are in. We say, "Well, something is going to turn up". Mr. Chairman, I say that the only way anything will turn up is by action being taken by parliament. Action can be taken by means of a few amendments to the sections in question.

I am not going to go into a great deal of detail. I say that today, not only in Canada but in the United States, we are at a point where more and more the procedure of criminal law must be appealed to in order to place great and powerful corporations in a position where they cannot detrimentally affect the health, the comfort or the welfare of the people as a whole.

It seems to me passing strange that, after almost three months, we are still in the position we were in at the beginning, with the exception that my friend the Minister of National Health and Welfare has provided highly trained chemical technicians who have met with other, equally highly trained, technicians, but who have as yet found it impossible by analysis to determine what is wrong.

We are not asking for analyses. What we are asking for is some action. The Fisheries Act provides no deterrent that would be effective in any way with great corporations. Fish are dying on every hand, but under that act there is only a penalty of $20 for a first offence; and corporations, even individuals, do not mind that. In so far as this section is concerned, it provides for a maximum penalty of $500 or six months. In so far as section 165 is concerned I think it provides for the same penalty.

Mr. Garson: Two years' imprisonment.

Mr. Diefenbaker: My hon. friend says two years' imprisonment. In no case is there a suitable penalty to meet the situation of a corporation that is offending. I would be only too happy to make suggestions, though I do not want to go into details as to suggestions for amendments unless asked. But I would submit that the law officers of the crown should immediately review these two sections and incorporate therein, without in any way interfering with the legitimate purposes of big business, such penalties as will indeed protect and preserve the rights of the individuals who live along these rivers, who are entitled to purity of water and who would have reason to expect pure water to be available to them but for the contemptuous attitude of these corporations.

I suggest that either of these sections could have words added to it to this effect: "And, without restricting the foregoing, any substances which, although not deleterious or harmful to human health, cause discomfort or annoyance to users of water."

Some say this is a provincial matter. What can the province of Saskatchewan do to protect its people with respect to water that comes from the neighbouring province of Alberta? What can the people of The Pas,

Manitoba, do to meet the situation when the water comes from a neighbouring province? Surely when a river runs through more than one province the criminal law can be utilized and should be utilized, and is the only means whereby the health and comfort of the people may be maintained. In the circumstances here the best legal opinion is that injunctions will not be effective, that the only recourse is the Fisheries Act, and I am concerned as to whether or not it can be made totally applicable.

Certainly when an offence is committed to the detriment of thousands and thousands of people, and people in urban centres are in the position that they have to travel all over the country in order to get well water, while the river that nature gave us flows by with water that was pure until its purity was destroyed as a result of the actions of a corporation, then I say we have the right to ask that the minister and the law officers of the crown should give immediate attention to the necessary amendment of one or other of these sections. I suggest that the minister allow these sections to stand and give consideration to this matter, as it is the only opportunity we will have to meet this situation.

Someone may say, why not introduce a private bill? We know how far private bills go unless they receive the support of the government. This is the one time, with the amendment of the Criminal Code before the house, that we can meet not only the situation ad hoc on the North Saskatchewan river but can also go a considerable distance toward meeting a situation that is becoming prevalent in many other parts of the country. Certainly there is no more important element in the health of the people than good water.

I want to keep my remarks within the realm of propriety, therefore I would not want to repeat some of the words that are being used daily in the cities of Prince Albert and The Battlefords with respect to the prevailing situation. It would not be parliamentary, though their clarity could be understood by all. As I see it, these sections are the only ones in the code that provide a degree of hope, which up to now has been denied the people for whom I speak on this occasion.

Mr. Garson: The statement that has just been made by the hon. member for Prince Albert has left out of consideration—I do not know whether wittingly or unwittingly—one or two points concerning the matter he discussed which I think are not without importance. As he points out, we have in clause 163, but more particularly in clause 165, provisions which could have some application to the problems of which he speaks provided, and this is a very important proviso, those whose responsibility it is to enforce the Criminal Code are in a position to prove that the condition of the water of the North Saskatchewan river is attributable to certain effluents coming into that river, and provided they can prove that these effluents are put there by certain persons or corporations.

Mr. Diefenbaker: That is obvious.

Mr. Garson: I am glad my hon. friend—

Mr. Diefenbaker: It is obvious you cannot convict anybody unless they are guilty.

Mr. Garson: But it is that obvious little point that my hon. friend, not only in his remarks tonight but in every other oration he has made upon the subject since he began some several days ago, has consistently ignored. My colleague the Minister of National Health and Welfare has pointed out not once but several times that the provincial authorities in Alberta and Saskatchewan, who are deeply concerned in this matter—I am sure they are deeply concerned—

Mr. Diefenbaker: Oh, yes, they are concerned.

Mr. Garson: If my hon. friend would let me finish my sentence he would not need to interrupt me. They are deeply concerned. Once it has been established that the condition in Prince Albert of which he complains is due to substances which are being placed in the same river, allegedly in Edmonton, and that the phenomenon resulting comes from this cause, the cause being the effluents—once they can establish that the effluent is being placed in the river and identify who is placing it there, then they will be in a position to invoke the existing laws to protect the public.

I would state, Mr. Chairman, that there is no dearth of laws in this regard. I am not familiar, certainly not when speaking extemporaneously upon this subject which my hon. friend from Prince Albert has raised, with the statute law of Alberta or Saskatchewan in relation to it. I have some knowledge of the statute law of Manitoba, although it is some time since I have had to do with it. But I would be very much surprised indeed if there were not a provision in the statute law of Alberta and Saskatchewan which, in the clearest terms, prohibits the pollution of rivers, the waters of which are used for public drinking purposes.

Mr. Diefenbaker: Will the minister allow a question?

Mr. Garson: Yes.

Mr. Diefenbaker: What help would it be for a law to be on the statute books of Saskatchewan when the pollution takes place in Alberta?

Mr. Low: Does the hon. member know that pollution takes place in Alberta? He has not the slightest idea, nor has anyone else.

Mr. Diefenbaker: That indicates the type of help we are getting from Alberta.

Mr. Low: I just want to deal with the interjection. There are a good many authorities today who consider that the pollution does not result from anything that is being poured into the water in Alberta, any effluent from a factory or plant, but that it results from escaping gas from certain gas wells along the border between Alberta and Saskatchewan.

The Deputy Chairman: May I suggest that we are discussing the application of the Criminal Code to all situations, and not one particular situation in Canada.

Mr. Garson: If I may cover one or two other points that have been raised by the hon. member, Mr. Chairman, I would not want the record to indicate there has been, upon the part of any government concerned, any neglect as has been alleged; for such a charge of neglect could not be founded on facts. Surely I do not need to make this point clear to the hon. member for Prince Albert, because he is too good a criminal lawyer not to know it. You cannot prosecute anyone for causing pollution until you are able to prove that the accused person is introducing the material which causes the pollution into the river.

As I understand it, my colleague the Minister of National Health and Welfare is supplying the best technical personnel he has available for the purpose of investigating and establishing, if that be the fact, that the conditions in the Saskatchewan river are the result of effluent which is being introduced into the Saskatchewan river in Alberta. No matter what law he was invoking—whether it was the public health act of either of these two provinces or these sections of the Canadian Criminal Code—I would think if the hon. member for Prince Albert were crown prosecutor he would look rather silly if he rushed into court and discovered when he got there that he did not have the evidence to make his charges stick.

I suggest to him that the sensible and proper approach to this matter is that which has been taken by the Minister of National Health and Welfare, in establishing these facts first. I would suggest to the hon. member for Prince Albert, who has had such a long experience as a criminal lawyer, that the wise prosecutor is one who finds out what his facts are before he considers the charge he is going to lay. If he does not know what his facts are and lays the wrong charge, it may be that the accused will get off even although he is guilty.

Mr. Diefenbaker: You found that out by experience with the combines act. It is experience from which you are speaking.

Mr. Garson: Once the facts were established, in the present case I would be very much surprised indeed if the parties concerned would not be prepared, upon the same kind of evidence that would produce a conviction in the event of a prosecution, voluntarily to co-operate in removing this nuisance without any of the difficulty, commotion and uproar we have heard from the hon. member for Prince Albert.

He says or implies that we are derelict in some way in this matter. I suggest to him that our job in this parliament is to enact the criminal law. I suggest to him that if he reads section 92 of the British North America Act, if I remember correctly subsection 14, he will see that the administration of justice is entirely in the hands of the provinces. The task of taking whatever legal steps may be necessary in Saskatchewan or Alberta is the responsibility of the attorneys general of these provinces. In fairness I must say that I would be the last to blame these attorneys general—I am amazed that a man with my hon. friend's experience would blame them—for not rushing into court with any kind of prosecution until they know what the facts are upon which they have to rely to secure a conviction.

My information, which is up to date until the last 24 hours or so, is that it has not been established that the effluent of this concern or that concern or the next concern is the cause of the condition in the Saskatchewan river. I am not suggesting that it is escaping gas or anything of that sort. All I am suggesting is that the cause of the pollution in the Saskatchewan river has not been established. I am sure the hon. member for Prince Albert, as a lawyer, will agree that you cannot—thank goodness—in this country convict people upon hypotheses or guesses; you have to prove a case against them and here you have to show that the effluent being discharged into the river is the cause of the trouble which is being experienced in Prince Albert.

I believe we have gone about this thing in the right way. We are trying to establish these necessary facts. When they are established I think we will be able to get the

matter cleared up without any necessity for a prosecution. The hon. member says there is a defect in our law because the penalty is not severe enough. If he looks at clause 165 of Bill No. 7 he will see the penalty is imprisonment for two years. If he looks at section 1035 of the present code he will see that it reads:

> Any person convicted by any magistrate under part XVI or by any court of an indictable offence punishable with imprisonment for five years or less may be fined in addition to, or in lieu of any punishment otherwise authorized, in which case the sentence may direct that in default of payment of his fine the person so convicted shall be imprisoned until such fine is paid, or for a period not exceeding five years, to commence at the end of the term of imprisonment awarded by the sentence, or forthwith as the case may require.

There is no limit to that fine.

Mr. Diefenbaker: What about corporations?

Mr. Garson: There is no limit; so all these fulminations the hon. member has inflicted upon us tonight about the inadequacy of our law and so forth are somewhat inappropriate until the facts are established and we can tell whether the existing law can be invoked to support a charge that would clear this matter up. Until these facts are established I must say that it is going to be most difficult to frame an amendment that will cover them.

Mr. Low: Is it not true that if you were seeking to convict under one of these clauses that we are speaking about at the present time you would first have to establish that some plant or some industry is pouring something into the river that does pollute the water?

Mr. Garson: Yes.

Mr. Low: Is it not true that that is exactly what the provinces are trying to do now, with the assistance of the Department of National Health and Welfare? It seems to me that hon. member for Prince Albert, whose legal wisdom we admire in this house, is now using this for political purposes. I have great admiration for my hon. friend, and he has established a reputation here for wisdom in the legal field. I do not blame him for one moment for putting forward the case of his city, and perhaps other cities in the province of Saskatchewan; certainly, as he said a few moments ago, one of the most important things to people in any section of the country is a good water supply. We admit that; but my hon. friend knows full well that before he can start any type of prosecution under the Criminal Code he has to get evidence, as the minister said, and it has to be pretty well established.

Mr. Montgomery: The hon. member misses the point altogether.

Mr. Low: No, I have the point. I think the minister is quite right. If I remember correctly the statute law in Alberta does give the authorities there ample opportunity to take action to stop the pollution of the water. If it can be discovered, let us say, that one of the big industries in or around the city of Edmonton is pouring substances into the Saskatchewan river which results in the condition one finds in Prince Albert, there is enough power in the statute law of Alberta to make it possible for the authorities there to stop it. That being so—

Mr. Martin: The public health act.

Mr. Low: —I do not see why it is necessary to talk about this particular criminal law in order to get a conviction for something we do not know a thing about. I suggested a moment ago that there is an outside possibility that escaping gas from gas wells may be causing it. I do not know if that is a fact, but there is a suggestion.

Mr. Coldwell: I understand that people are drinking water from the Battle river, and the Battle river flows right through the gas fields. If it is escaping gas that is causing the trouble, why is the Battle river water all right?

Mr. Low: I do not know; all I can say is that there are certain people, some of them from Saskatchewan, who suggest that the taste and smell of the samples of water they have had from the river in Prince Albert and other places in Saskatchewan indicates escaping gas.

Mr. Coldwell: Why is the Battle river water not polluted, then?

Mr. Low: That would not necessarily follow.

The Deputy Chairman: May I suggest to the committee that the Chair would like this discussion to be as wide open as possible and keep within the rules, but I should like the committee to keep away from a technical argument as to whether a condition in a certain river is caused by gas or by some other product and stay with the shortcomings, if you like, of the Criminal Code and its application.

Mr. Low: What I was trying to do was relate the question to the Criminal Code. Before we could take anything like specific action under the Criminal Code we would have to know whether it was escaping gas which was responsible, or we would have to know if it were effluent being poured into the river deliberately, and whether upon

warning from the provincial health people and those responsible the guilty party refuses to stop it or do something to divert it.

Mr. Martin: I think I should say a word or two in view of the earlier remarks of the hon. member for Prince Albert. The situation now is, as I said this afternoon, that no one can positively say what is the cause of this pollution. When the matter was first raised, the government of Alberta thought it knew the source; and after the technical officers from the Department of National Health and Welfare and the public health department in Alberta conferred with the particular corporation—and there was full co-operation given by that corporation—it later became clear from certain other evidence that there could be no certainty as to the cause. I would not rule out what my hon. friend has suggested as a possible cause, nor would I affirm that that was the cause.

Mr. Low: No one would.

Mr. Martin: The fact is that the technical people in both federal and provincial governments are co-operatively engaged in trying to ascertain the cause of this pollution, the seriousness of which no one in this house will deny, from the point of view of odour and from the point of view of taste in particular. In addition to that, co-operation has been enlisted of the public health engineering division of the United States public service, from their industrial hygiene laboratory in Cincinnati.

The Minister of Justice has indicated that the Criminal Code as it is constituted at the present time provides remedies; but in addition to that, so our perspective will be clear, I shall call the attention of the committee to the fact that in the province of Alberta, as in other provinces, legislation exists to meet this very kind of situation. The public health act, as amended by chapter 53 of 1944, in the province of Alberta provides in section 12 (1) the following:

> The provincial board shall have the general supervision of all springs, wells, ponds, lakes, streams or rivers used as a source of a public water supply, or for agricultural, domestic or industrial purposes with reference to their purity, together with the waters feeding the same, and shall examine the same from time to time when the necessity for such examination arises, and inquire what, if any, pollution exists and the causes thereof.

In subsection 2, without reading it *in extenso,* authority is given to the provincial board:

> . . . to inquire into and determine any complaint made by or on behalf of a riparian proprietor entitled to the use of water, that any industrial waste or any other polluting material of any kind whatsoever, which either by itself or in connection with other matter may corrupt or impair the quality of the water or may render such water unfit for accustomed or ordinary use . . .

And so on. Then in subsection 3 we find the following:

> The provincial board may make a report to the minister upon such complaint and as to what remedial measures, if any, are required in respect to any alleged injury or invasion of right as it may deem just.

Subsection 4 reads in part:

> Where the report of the provincial board recommends the removal or degree of treatment of any such polluting material, any riparian proprietor interested or the minister may apply to a judge of the supreme court or to a district court judge by way of originating notice . . .

—to deal with the situation; and this judge is empowered in subsection 5 to make:

> . . . such order upon the report of the provincial board, or upon such further evidence as he may deem meet, and on such terms and conditions as may be deemed proper.

I am satisfied from the conversations I have had over the telephone and by telegram with the responsible provincial authorities that once the facts are properly ascertained there will be no reluctance on their part to deal with this measure as effectively as this law provides.

Mr. Diefenbaker: Mr. Chairman, first I wish to say in answer to the Minister of Justice that, to use his own words in reference to myself in regard to another matter, he either deliberately or unwittingly misconceived what I placed before this committee this evening. I in no way gave him grounds for the argument that after all before you can convict you have to have a case. That would be rudimentary even to the Minister of Justice.

What I did say was that the criminal law as it is now constituted, the sections in question, do not cover a situation such as prevails in consequence of the pollution of the North Saskatchewan river. I came before this committee for the purpose of appealing to the minister to give consideration to amending the Criminal Code, the sections in question, in order to cover a situation which more and more is affecting various parts of our country and which inevitably must be met by the Criminal Code.

I suggest changes in these two sections in order to permit prosecution once it has been established—it is so obvious that it does not need to be mentioned at all—that responsibility has been placed with the individual or corporation responsible for the condition. The Minister of National Health and Welfare says the legislature of Alberta has the power to act, and he referred to certain sections. Now,

after all, is there that sense of urgency that is necessary under the circumstances that have been disclosed?

One would think to listen to the Minister of Justice that this was a trivial matter. After all, the people of northern Saskatchewan and northern Manitoba may wait and hope that some day the facts will be ascertained. What I am asking for and what they are asking for is some power to act when they are established. My hon. friend says that under legislation the province of Alberta provides controls that may be exercised. True enough; but are the people of Alberta affected by this? Not at all, not one of them. They have the large industries, but we in Saskatchewan and the people in Manitoba receive the water after it has been polluted.

No one in Alberta is affected by this. The first pollution is below the city of Edmonton. There is no sense of urgency there, however desirable the government is of action being taken. As far as Manitoba is concerned, the Minister of Justice says that there are laws there. They too are in the same position; they can do nothing. What can they do by legislative action in Manitoba to protect their people against the pollution of the streams that bring water to them in the ordinary course of nature?

There is only one thing that can meet the situation, and that is federal action in co-operation, if you will, with the provinces. There is only one means of federal action as I see it outside of the Fisheries Act, which is not too applicable to the situation here, and that is through the medium of criminal law which would make it a public nuisance when the comfort, health and welfare of the people in general are interfered with and disturbed as a result of the conduct of any group of individuals, a corporation or anyone else.

What I was asking for was simply evidence of some change being made in the criminal law to cover a situation such as this. My hon. friend surprisingly enough says that I speak for political purposes. Let me tell him—

An hon. Member: Oh, no.

An hon. Member: Never.

Mr. Diefenbaker: I wish the people in northern Saskatchewan could hear my hon. friends opposite jeering on a matter that affects every one of them. Jeering is their answer to the cry of the people in Saskatchewan.

Mr. Chevrier: There is no jeering.

Mr. Diefenbaker: Quite apart—

[Mr. Diefenbaker.]

An hon. Member: We are protesting against you—

Mr. Diefenbaker: I say this—

Mr. Martin: I am sure the hon. gentleman, who is very fair in this matter, would not want to give the impression that hon. members of this house, from members of the government down, do not share with him and others their concern over this situation. I am sure he would want to state that unequivocally.

Mr. Diefenbaker: I will state immediately that my hon. friend is in the position in which he has just placed himself as a result of his statement, but there were others behind him who jeered at this situation.

Mr. Garson: On a question of privilege—

Mr. Diefenbaker: I wanted—

Mr. Garson: On a question of privilege, there was no jeering on this side of the house.

Mr. Diefenbaker: What was it?

Mr. Garson: Any person who states there was jeering is not being accurate in his statement. There was some explanation—

Mr. Diefenbaker: That is not privilege.

Mr. Garson: There was—

The Deputy Chairman: Will the Minister of Justice please state his question of privilege, after which the hon. member for Prince Albert will have an opportunity to reply.

Mr. Fulton: There is no question of privilege; he is just using—

Some hon. Members: Order.

Mr. Fulton: I submit to you, sir, it is quite obvious that the minister is seeking to use a question of privilege to raise—

Some hon. Members: Order.

Mr. Fulton: —something which is not a question of privilege at all.

The Deputy Chairman: It is quite impossible for the chairman to decide whether or not it is a question of privilege before he hears it. I would ask the Minister of Justice to state his question of privilege.

Mr. Fulton: He has already said something that—

Some hon. Members: Order.

Mr. Garson: The hon. member for Prince Albert was pointing his outstretched arm at the members on this side of the chamber and accusing them of jeering at him. I say

that is an inaccurate statement and that his reference is to expressions of protest by us at his unwarranted remarks.

Mr. Fulton: That is not privilege.

Mr. Garson: What we were doing was expressing our disapproval of the inappropriate remarks he was making concerning the hon. member for Peace River.

An hon. Member: Ten o'clock.

Mr. Diefenbaker: Now.

The Deputy Chairman: In view of the statement that has just been made by the Minister of Justice I am sure the committee would wish to hear anything the hon. member for Prince Albert has to say, as long as it does not take us much beyond ten o'clock.

Mr. Diefenbaker: If it was not jeers, it was sneers. I still repeat that to my inexperienced ears—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —the noise that emanated from over there consisted of jeers.

Mr. Chevrier: Will the hon. member repeat what he said earlier?

Clause stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: On Monday we shall move third reading of three bills: Bill No. 79, respecting the boundary between the provinces of Ontario and Manitoba; Bill No. 177, to amend the Patent Act; Bill No. 80, respecting the Canadian forces. We shall then move to go into supply and if that motion is carried we will call two departments, public works and veterans affairs, when the items called will stand. Finally, if we reach the stage of legislation, we shall take it up in the following order: first, the War Service Grants Act; next the Telegraphs Act; and third, the fisheries convention.

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

HOUSE OF COMMONS

Monday, February 15, 1954

The house met at 2.30 p.m.

THE LATE MISS AGNES MACPHAIL

TRIBUTES TO FORMER MEMBER FOR SOUTHEAST GREY

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, it is fitting that mention should be made today of the passing from the Canadian scene of one of Canada's most beloved and colourful individuals, one who held a unique position in public life. Agnes Campbell Macphail came into this house in 1921, the year of the first general election which extended universal adult suffrage. A candidate for the United Farmers of Ontario, her entry into parliament at the youthful age of 30 saw her well embarked upon a parliamentary career which lasted for 19 years in this house and subsequently for two terms in the legislature of the province of Ontario.

Agnes Macphail was an example and an inspiration to all women whose interest lies in public affairs, and the record which she established has paved the way undoubtedly for those women who sit in this house and in the other place. Indeed, I think it is no exaggeration to say that her example made it possible for many women to take their places in elective offices at all levels of government. Her keen wit, coupled with her sympathetic nature, made her a formidable ally of all those causes which aroused her interest. Her memory will long be green in the hearts of those who were privileged to know her, and the name of Agnes Macphail will go down in Canadian history as an honest and courageous public figure who lent colour and substance to Canadian politics.

Mr. M. J. Coldwell (Rosetown-Biggar): I want to express my appreciation to the hon. member for Hamilton West for enabling us to pay tribute to the late Agnes Macphail. The hon. member for Temiscouata (Mr. Pouliot) spoke to me and suggested it might be done, but I thought perhaps it might not be in accordance with our usual procedure. I am glad indeed that the opportunity was provided.

All I wish to say is that those of us in this house, regardless of party, who were associated with Miss Agnes Macphail came to have an affection for her and a very high regard for her sincerity of purpose. I think she will long be remembered as an outstanding member of this house who was largely responsible for promoting the idea of penitentiary reform. And those of us who sat with her here will always remember her keen interest in the welfare of those who were incarcerated in our prisons and penitentiaries.

In her passing, as has already been said, Canada has lost a famous woman and an outstanding citizen, one who served her country well. Often many people disagreed with her point of view, but none will withhold from her that admiration and respect which she earned by her work for the public generally and particularly for the women of Canada.

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, I agree that on occasion the practice and custom of the house might be departed from, and particularly when we are paying tribute to the first woman elected to the House of Commons. Miss Macphail was proud of that, not on her own account but rather because she looked upon her election to the house as the beginning of what she hoped would be reform in the public life of Canada so that women would take a more active part in political discussion and in the elective offices.

I know that on occasion she thought that perhaps she had not succeeded. Well, the fact of the matter is that even if it is only in this parliament that we have had a fair representation from the ladies, it is a fact that in all political parties there are far more women taking part today than was the case when she entered this house.

Miss Macphail was, as everyone knows, my predecessor in Southeast Grey and in Grey-Bruce. I had known her for a good many years, and had a deep admiration for her qualities of intelligence, her sincerity and her desire to speak on behalf of the person who perhaps did not have the facilities to do so himself. She was an outstanding advocate of causes which needed an advocate, and I am sure that she and many others who shared similar views are responsible for a good deal of the progress which has been made in this country in the past thirty years. I wish to pay this tribute to her not only in a public sense, because anyone who serves in the House of Commons for 19 years, and then in the legislature of Ontario for a further five years, undoubtedly has contributed much to the welfare of the Canadian

people. But I cannot help adding what is well known in Grey-Bruce, namely, that she looked upon her public service as a means of contributing toward helping those persons who showed promise, but whose circumstances precluded the developing of that promise.

In many ways she was charitable to a degree in her private life, and this will be especially remembered in Grey-Bruce, where she will be buried tomorrow with genuine expressions of sorrow and regret at the passing of a distinguished Canadian.

ROYAL CANADIAN AIR FORCE

CHANGE IN ISSUING OF CIVILIAN PAY CHEQUES AT WINNIPEG STATION

Hon. R. O. Campney (Associate Minister of National Defence): On Friday last the hon. member for Winnipeg North Centre (Mr. Knowles) asked the following question:

Is the minister aware of the fact that on Monday next, February 15, civilian employees on the R.C.A.F. station at Winnipeg will not receive their regular semi-monthly pay cheques?

I would reply to the question as follows: In the first place, the classified civilian employees at that station are and will continue to be paid on the 15th and 30th of the month as usual, so that the question as asked in regard to that class of employees is in error.

With regard to the prevailing rates employees, except in the case of messmen and cooks, such employees have always been paid on the 10th and 25th of the month. They are not therefore being paid on the 15th, so that the inference of fact in regard to them is also wrong. They are not supposed to be paid on the 15th of the month.

With regard to messmen and cooks, and this may be the root of the hon. member's question although it is not clear from the way he has worded it, these employees have heretofore been paid on the 15th and at the end of each month. As they are in fact prevailing rates employees they will hereafter be paid on the 10th and 25th in line with other prevailing rates employees. As I understand it, they are therefore being paid today, and will hereafter be paid on the 25th of this month and on the 10th and 25th of succeeding months.

CRIMINAL CODE

CHANGE IN WORDING OF MOTION OF REFERENCE

Mr. W. G. Weir (Parliamentary Assistant to the Prime Minister): Mr. Speaker, on January 12, 1954, as recorded on page 155 of *Votes and Proceedings*, it was resolved that a joint committee of both houses of parliament be appointed to inquire into and report upon the questions whether the criminal law of Canada relating to (a) capital punishment, (b) corporal punishment or (c) lotteries should be amended in any respect and, if so, in what manner and to what extent.

It was provided further that 17 members of the House of Commons, to be designated by the house at a later date, be members of the joint committee. Accordingly, on February 3, 1954, I presented a motion listing the members selected to act on the said committee. The motion was adopted by the house and is recorded at page 261 of *Votes and Proceedings*. It read in part as follows:

That the following members be appointed to act on the joint committee of the Senate and the House of Commons as provided in the motion of the Minister of Justice, passed by this house on January 12, 1954, having to do with a revision of the Criminal Code.

And then followed the names of the members of the committee.

The house will note that the wording of my motion describing the work of the committee is not strictly in line with the wording of the original motion.

In order to prevent ambiguity I am requesting leave of the house to have a change made in the records so that the same wording be used in both cases in respect of the work of the committee. The amended motion would then read as follows:

That the following members act on behalf of this house on the joint committee of both houses of parliament as provided in the motion of the Minister of Justice on January 12, 1954, and appointed to inquire into and report upon the questions whether the criminal law of Canada relating to (a) capital punishment, (b) corporal punishment or (c) lotteries should be amended in any respect and, if so, in what manner and to what extent:

Then the names of the members of the committee follow. This amendment affects in no way the terms of the reference to or the membership of the committee. If I may have the leave of the house in accepting this change I would request that the motion as amended be printed as a corrigendum to the *Votes and Proceedings* of this day.

Motion agreed to.

QUESTIONS

RED DEER RIVER PROJECT—SOIL SURVEY

Mr. Quelch:

1. Is a soil survey of the land that may be irrigated under the Red Deer river diversion project being carried out at the present time?

2. If so, is it being carried out as a joint undertaking between the government of Alberta and the federal government, or by the federal government alone?

3. What is the name of the person in charge of this survey?
4. How are the costs of the survey being apportioned between the two governments?
5. What has the cost of the survey been to date?
6. How many acres have been surveyed?
7. When is it expected to complete the survey?

Mr. Gardiner:

1. Survey of areas in this district requested by joint committee of Alberta department of agriculture and the P.F.R.A. was completed in 1953.

2. Survey carried out by federal government employees attached to the Alberta soil survey, which is a joint undertaking between the federal government, the provincial government, and the University of Alberta.

3. Mr. W. E. Bower, chief federal soil surveyor in Alberta.

4. The federal government provided field staff and defrayed their travelling and maintenance expenses. The University of Alberta provided office and laboratory facilities.

5. Not available as this area was included in the soil survey projects carried out in the province of Alberta from 1950 to 1953.

6. 831,000 acres.

7. Answered by No. 1.

INCOME TAX, CALGARY—
INFORMATION REQUESTED

Mr. Harkness:

1. Was a letter sent out to farmers in the Calgary income tax area requiring all record books, vouchers and receipts pertaining to the income and expenses for several years back, bank pass books or ledger sheets for both current and savings accounts, and cancelled cheques, in addition to a large amount of other information?
2. If so, to how many farmers?
3. Were similar letters sent to any other class of income taxpayers?
4. If so, how many of these letters were sent out in each of the provinces?
5. If this letter was sent out, what was the purpose of same?
6. What benefit to the farmers is envisaged?

Mr. McCann:

1. Yes.

2. Approximately 500.

3. No.

4. Answered by No. 3.

5. To arrange a meeting with each farmer, at a time and place convenient to him, at which his income tax returns for specified years could be reviewed and reference made, where necessary, to his books and records supporting the figures shown on the tax returns.

6. An opportunity is afforded the farmers to clarify, with the aid of factual data, all points in their returns requiring explanation and to discuss, in general, income tax matters of interest to them.

LOSS-LEADER ADVERTISING

Mr. Diefenbaker:

Has the government given consideration to the need of bringing in legislation at the present session of parliament, in connection with loss-leader advertising practices?

Mr. Garson: The MacQuarrie committee, while it thought that the practice of loss-leader selling did not present any immediate danger, recommended that a study should be made of this practice with a view to determining its prevalence and effects, and recommending suitable amendment, if necessary, of the Combines Investigation Act. Also, during the debate on the resale price maintenance legislation, the Prime Minister stated that the government wished to give close and constant attention to any practices contrary to the public interest and that, in the event that a development was disclosed which could not be dealt with under existing legislation, the government would give serious consideration to what other legislative action it might be appropriate to recommend to parliament.

Accordingly, a study of loss-leader selling was undertaken by the director under the Combines Investigation Act, and I am informed that this study is well advanced. When a report reaches me, the government will be in a position to decide whether or not legislation should be introduced to deal with this practice. I am unable to say whether the report will be received and the necessary consideration given to it before the close of the present session, but every effort is being made to deal with the matter expeditiously.

NAVAL OFFICERS RELEASED, 1945-46

Mr. Pearkes:

1. How many officers of the Royal Canadian Navy (P.F.) were released from service between October 1, 1945 and October 1, 1946?
2. How many so released did not have sufficient service to qualify for (a) any pension; (b) maximum pension according to rank held at the time of their release?

Mr. Blanchette:

1. 42.

2. (a) 13; (b) 25.

GRAIN STORED IN BOATS AT LAKEHEAD

Mr. Hodgson:

1. Are any boats loaded with grain at the head of the great lakes to facilitate storage?
2. If so, how many and how many bushels are so stored?

Mr. Dickey: Perhaps I could answer this question orally. The answer to the first part would be "yes". The answer to the second part is "one". Then as to the number of bushels, it would be 195,073. I understand that the purpose of this question may have been to secure information with regard to the number of boats loaded at the head of the lakes which are wintering in various ports on the lakes with their loads aboard. In order to give that information I shall pass the question as an order for return and put in the information as a supplementary return.

CANADIAN NATIONAL RAILWAYS LAY-OFFS

Mr. Monteith:

1. How many lay-offs have taken place in the Canadian National Railways system, during the last six months?
2. How many employees have been involved in each lay-off?
3. How many employees in the Stratford division have been involved in each lay-off?
4. Are any further lay-offs contemplated in the Stratford division in the next six months?
5. Is it contemplated that any former employees will be rehired in the next six months?
6. Has the Canadian National Railways management any plans for the use in other capacities of employees no longer required because of the gradual dieselization of the system?
7. Has the management of the Canadian National Railways system any long term plans for the full utilization of the locomotive shops in Stratford?

Mr. Langlois (Gaspe): The Canadian National Railways advise as follows:

1. There was a reduction in staff at main shops in October-November 1953, and another reduction in January 1954.

2. The first reduction involved 708 employees and the second involved 784.

3. Of the above 112 were from Stratford shop in the first reduction and 75 in the second.

4. Staff requirements are affected by traffic conditions.

5. See answer to No. 4.

6. Within the provisions of wage agreements, and subject to business requirements, an endeavour is made to utilize the services of employees displaced by dieselization.

7. The locomotive shops at Stratford consist of partly old and partly modern buildings and equipment. While excellent for steam locomotive maintenance, their use for other railway purposes is limited, but is under study.

AUTOMOBILE PARTS AND ACCESSORIES

Mr. Harkness:

1. Has any investigation been made under the provisions of the Combines Investigation Act to ascertain whether automobile manufacturers, oil companies, etc., exert pressure on their dealers compelling them to purchase parts and accessories exclusively from the manufacturers or their wholesale outlets?
2. If so, with what result?

[Mr. Hodgson.]

Mr. Garson:

1. As the hon. member will recall, section 42 of the Combines Investigation Act, which was enacted in 1952, provides for the carrying out of general studies by the director and the restrictive trade practices commission. Pursuant to this section, a number of such studies have been undertaken by the director. Among these is one into distributive arrangements relating to what are generally described as automotive accessories and the like, but it is not possible to give any details at this time in view of its preliminary nature.

2. See answer to No. 1.

GOVERNMENT EMPLOYEES—CITIZENSHIP

Mr. Fulton:

1. How many persons are engaged in the service of the dominion government either as government employees or in a representative capacity (but not including temporary clerical employees, manual workers or artisans, employed as such by Canadian diplomatic, trade and military establishments abroad) who (a) are not Canadian citizens, or (b) hold the nationality or citizenship of some other country in addition to Canadian citizenship?
2. What are the names of any persons covered by (a) or (b) above respectively, indicating (i) the name of the country other than Canada of which he or she is a citizen or national, and (ii) the nature of such employment or service?

He said: If I have the consent of the house, I would ask that this question be dropped in order that it may be reworded.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: Question dropped.

FROZEN AND CANNED HAMS IMPORTED

Mr. Ross:

1. How many pounds of frozen hams were imported into Canada in the year 1953, and what was the price paid?
2. How many came from continental Europe and how many from Northern Ireland and Eire?
3. How many canned hams were imported into Canada from continental Europe, Northern Ireland and Eire in 1953?
4. How many canned hams were exported from Canada to the United States in 1953, and what was the price received?

Mr. Dickey:

1 and 2. Frozen hams are not separately classified in Canadian import trade statistics. The imports of pork, fresh, frozen or cured, from all countries during the period January 1 to November 30, 1953, amounted to 404,415 pounds valued at $185,747. Imports of these products from the United Kingdom (including Northern Ireland) amounted to 2,449 pounds valued at $1,047. Imports from

Eire amounted to 294,948 pounds valued at $150,946. There were no imports of these products from continental Europe.

3. Canned hams are not separately classified in Canadian import trade statistics but are included in a general item of "Canned meats, n.o.p.". During the period January 1 to November 30, 1953, imports under this item from the United Kingdom (including Northern Ireland) amounted to 241,461 pounds valued at $55,459 and from continental Europe 70,513 pounds valued at $46,178. There were no imports of these products from Eire.

4. Canadian exports of canned hams to the United States during the calendar year 1953 amounted to 16,939,209 pounds valued at $14,337,093.

TREASURY BOARD—ESTIMATES

Mr. Fulton:

1. With reference to the preparation of the estimates, are the discussions of treasury board confidential?

2. Are the decisions arrived at generally available for release for general information before the estimates are tabled in the house?

3. If in a particular case it were felt desirable to release information for publication before the estimates are presented to the house, by what process would a decision as to its release be made, who would decide the question, what general principles would govern the decision, and by whom would such information normally be released?

Mr. Benidickson:

1. Yes.

2. Each decision is judged on its merits.

3. The minister of the department concerned would make the decision and its release would be made by him or at his direction. It is not possible to state any general reasons as to the release of information as these would vary from case to case.

TRADE WITH RUSSIA

Mr. Diefenbaker:

1. What restrictions are placed upon exports from Canada to the U.S.S.R.?

2. What commodities can be traded under present regulations between Canada and the U.S.S.R.?

3. What are the main classes of commodities which are regarded as being comprised within the term of "strategic materials"?

4. Are (a) wheat; (b) agricultural products in general, controlled or banned commodities for export to the U.S.S.R.?

Mr. Dickey:

1. No goods may be exported from Canada to the U.S.S.R. without an export permit.

2. Any commodities of purely Canadian origin which are not classified as strategic material and which are not in short supply.

3. Those types of commodities which are classified as strategic include: arms, ammunitions and implements of war and such commodities as steels, ferrous and non-ferrous metals, minerals and chemicals, and manufactured products which have a significant usage in defence industries.

4. (a) Exports of wheat are controlled but would be licensed;

(b) Exports of agricultural products in general are controlled but would be licensed.

CANNED FRUIT IMPORTS

Mr. Lennard:

How many pounds of (a) canned peaches; (b) canned fruits other than peaches, were imported into Canada from the United States during the year 1953?

Mr. Dickey:

During the period January 1 to November 30, 1953 (latest figures available), imports from the United States were as follows:—**(a) Canned peaches and apricots, 8,499,929 pounds; (b) Canned fruits other than peaches and apricots, 30,359,492 pounds.

**Separate figures not available.

VERDUN POST OFFICE—CHEQUES

Mr. Dufresne:

1. Is the Postmaster General aware that students employed in a temporary capacity during the Christmas season at the Verdun post office were paid with unilingual cheques?

2. Has the Postmaster General taken steps so that the cheques printed for his department will hereafter be printed in the two official languages of this country?

Mr. Kirk (Shelburne-Yarmouth-Clare):

1 and 2. I am informed that some unilingual cheques were used at Christmas to get rid of a small stock on hand. This supply has now been disposed of and bilingual cheque forms will be available from now on.

T.C.A. FILM "NO BARRIERS"

Mr. Diefenbaker:

1. Did Trans-Canada Air Lines have a film produced entitled "No Barriers," since the 1st of January, 1953?

2. If so, what company produced it?

3. What was the cost?

4. Why were the facilities of the national film board not utilized?

Mr. Dickey:

1. Yes.

2. Lew Parry Film Productions of Vancouver.

3. $24,000.

4. In this case the national film board made the master print from the production negative. Another firm was used for the production, as T.C.A. was following its normal

practice of distributing its business geographically within Canada as widely as possible, wherever no cost penalty is involved thereby. Both the national film board and other Canadian film producers have made films for T.C.A. in the past, and it has been found that differences in technique between producing firms bring about a desirable variety in the character of the films and the treatment of the subject of civil aviation in Canada.

BUTTER PRODUCTION AND CONSUMPTION, QUEBEC

Mr. Boisvert:

1. How many pounds of butter were produced in the province of Quebec in each of the years 1950, 1951, 1952, 1953?

2. How many pounds were consumed in the same province during each of these years?

Mr. Dickey:

1. Butter production in the province of Quebec from 1950 to 1953 (exclusive of dairy and whey butter) was as follows:

	pounds
1950	87,488,000
1951	91,363,000
1952	102,346,000
1953	112,179,000

2. Information on interprovincial shipments of butter is not sufficiently complete to calculate consumption by provinces.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BENGOUGH-STUART ANODIZING PROCESS

Mr. Winch:

1. Did the department of reconstruction and supply, or any other government department, receive the sum of approximately $7,000 on or about January 6, 1947 from Boeing Aircraft of Canada Limited, of Vancouver, specifically designated as being moneys for transfer of royalty payments to Captain E. Windsor Bowen for his patented process being known as the Bengough and Stuart chromic acid anodizing proprietary process, and made mandatory by the department for certain specific purposes in aircraft construction, such process being covered by patent No. 265,968 and under authority of crown copyright specification DTD910? If so, has this money been paid to Captain E. Windsor Bowen, and if not, for what reason?

2. Did the department of reconstruction and supply, or any other government department, receive the sum of $4,057.04, on or about January 6, 1947 from Canadian Vickers Limited of Montreal as having been received as royalties payable to Captain E. Windsor Bowen for the use in 1942 of the Bengough-Stuart process covered under a pre-war contract made with Canadian Vickers Limited and signed by its president, and under the corporate seal of the company? If so, has this money been paid to Captain E. Windsor Bowen, and if not, for what reason?

3. Have any payments been received by any government department on Canadian patent Nos. 265,968 and 291,633 for Canadair Limited whilst it was either owned or operated by the government of Canada, and if so, what are the amounts and to whom paid?

4. Did the department of reconstruction and supply receive a request from Canadian Car and Foundry Company Limited of Montreal in the year 1947-48 that authorization be given for payment to Captain E. Windsor Bowen for its use of the anodizing process utilized in the installation of certain anodizing equipment built pursuant to communications that passed between Mr. D. A. Loucks, purchasing agent, and Mr. A. D. Neale, vice-president of the company, directly with Captain E. Windsor Bowen of London, England?

5. If so, what action was taken?

Mr. Dickey: In part 3, line 2, of this question the word "for" appears after the figure "291,633". I have discussed this with the hon. member and he informs me that this word should be "from". With that amendment it will stand as an order for return.

CROWN ASSETS DISPOSAL CORPORATION—COOEY RIFLES

Mr. Thatcher:

1. Were the 3,439 Cooey rifles, which were sold for $6,018.25, according to page 24 of the ninth annual report of the Crown Assets Disposal Corporation, new or used?

2. What was the original price paid by the government for these ·22 rifles?

3. For what reasons were they declared surplus?

4. To how many companies were invitations for offers sent, in connection with the sale of these assets?

CROWN ASSETS DISPOSAL CORPORATION—MACK TRUCKS

Mr. Thatcher:

1. Were the two six-ton Mack trucks with crane, which were sold for $2,625, according to page 22 of the ninth annual report of the Crown Assets Disposal Corporation, new or used?

2. What was the original price paid by the government for these trucks?

3. For what reasons were they declared surplus?

4. To how many companies were invitations for offers sent, in connection with the sale of these assets?

5. If these were used goods, on what date were they originally purchased by the department?

GRAIN STORED IN BOATS AT LAKEHEAD

Mr. Hodgson:

1. Are any boats loaded with grain at the head of the great lakes to facilitate storage?

2. If so, how many and how many bushels are so stored?

MOTIONS FOR PAPERS

WINNIPEG NORTH SUB-POST OFFICES

Mr. Stewart (Winnipeg North):

For a copy of all letters, telegrams, memoranda and other documents exchanged between any person or persons and the Post Office Department, since January 1, 1949, concerning sub-post offices in the federal constituency of Winnipeg North. Also a statement showing the locations of all sub-post

offices in the federal constituency of North Winnipeg at December 31, 1953, and a copy of post office regulations in connection therewith.

FLIN FLON-NIPAWIN HIGHWAY

Mr. Diefenbaker:

For a copy of all letters and telegrams which have passed between the provincial governments of Manitoba and Saskatchewan and the dominion government, since the first day of January 1954 regarding federal contribution or assistance in the building and completion of the highway between Flin Flon, Manitoba and Nipawin, Saskatchewan.

Mr. Prudham: The Minister of Northern Affairs and National Resources is unavoidably absent and he has asked me to request that this motion be allowed to stand.

Mr. Speaker: Motion stands.

VOCATIONAL TRAINING CO-ORDINATION ACT

AUTHORITY TO ENTER INTO AGREEMENTS WITH PROVINCES, CHANGES IN ADMINISTRATION, ETC.

Hon. Milton F. Gregg (Minister of Labour) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Vocational Training Co-ordination Act to meet present day requirements for defence and other purposes, including authority to enter into agreements with the provinces to grant assistance for rehabilitation training of disabled persons; also to provide for an increase in the number of members on the vocational training advisory council, for a per diem allowance for members of the council; and to provide further for certain changes in connection with the administration of the act.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

THE CONSTITUTION

INQUIRY AS TO RECONVENING OF DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. E. D. Fulton (Kamloops): May I ask the Minister of Justice whether the government is considering the reconvening at an early date of the dominion-provincial conference on the constitution, which last met in Quebec in September 1950?

Hon. Stuart S. Garson (Minister of Justice): Not at an early date, Mr. Speaker.

[*Later:*]

Mr. Fulton: May I ask the Minister of Justice a supplementary question? Can we take it from the answer he gave a moment ago that the government has decided that the fact that our constitution cannot be amended in Canada no longer constitutes a derogation from Canadian sovereignty of such a nature as to call for early action?

Mr. Garson: Mr. Speaker, I would prefer to answer a question of that character after meditating on it for about 24 hours.

Mr. Fulton: It was not necessary to meditate when you called the conference.

Mr. Speaker: Order.

CANADIAN PACIFIC RAILWAY

JUDGMENT ON APPLICATION FOR RATE INCREASES

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Minister of Transport. I understand a judgment has been rendered today in regard to an application for certain increases in rates by the Canadian Pacific Railway. Can the minister table the judgment or give some information to the house as to its scope and contents?

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I have the judgment here. The application with which it deals was one by the railway association of Canada, and more particularly the Canadian Pacific Railway, in which they asked for a number of things, chief of which was an increase of freight rates of 9 per cent, the fixing of 6½ per cent as a fair rate of return on a rate base, and the consideration of net investment as the rate base. It is a long judgment having to do with the various aspects of determining a permissive level of earnings. It grants the application of Canadian Pacific to determine the net investment of the company in rail operations. For the application before it, the board adopts the amount—for use as one of the "end" tests, in considering the reasonableness of a permissive level of rates—as $1,140 million as at December 31, 1951.

In so far as the other matters I have referred to are concerned, the board of transport commissioners dismisses the application. In other words, it dismisses the application for the 9 per cent increase in freight rates. The board declined to make a declaration that a return of not less than 6½ per cent is a fair return on the net investment of the C.P.R., and it does not accept the rate base. The rate of return method proposed by the C.P.R., within the meaning of the application, would be the sole method of determining the rates.

The judgment is a 100-page document, copies of which I can have distributed to

members, although not immediately, because copies will not be available for another week or ten days.

WHEAT

QUESTION AS TO FINAL PAYMENT FOR 1952-53 CROP

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Can the minister say, as a result of his recent trip to Winnipeg, whether the 1952-53 wheat account has now been closed and whether the final payment for 1952 wheat will be made by the end of this month, in accordance with a suggestion in the *Leader-Post* last Thursday?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, as a result of my conversations in Winnipeg, I am of the opinion that I will get a report from the wheat board shortly. I shall consider the report and make recommendations to the governor in council. If the governor in council agrees with me I shall make an announcement in the house.

ROYAL CANADIAN AIR FORCE

INQUIRY AS TO CHANGE IN WEDGE CAP INSIGNIA

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I would like to direct a question to the Minister of National Defence. Has any change been made in the R.C.A.F. wedge cap insignia? If so, what is the nature of the change and for what reason has it been made?

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I shall look into the matter and let the hon. member know.

POWER

PASSAMAQUODDY PROJECT—INQUIRY AS TO PARTICIPATION IN ECONOMIC FEASIBILITY SURVEY

On the orders of the day:

Mr. A. J. Brooks (Royal): Mr. Speaker, I have a question which I intended asking the Secretary of State for External Affairs (Mr. Pearson), but I shall direct it to the Acting Prime Minister. In view of the fact that the United States government has decided to investigate the feasibility of the development of the Passamaquoddy power project, is it the intention of the government to join in that investigation?

[Mr. Chevrier.]

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, I shall be very glad to call the attention of the Secretary of State for External Affairs to that question. I am sure he will be glad to answer it when he gets back.

Mr. Brooks: If the Secretary of State for External Affairs is to be away for ten days I suggest—

Some hon. Members: Order.

Mr. Speaker: Order.

POST OFFICE

FIVE-DAY 40-HOUR WEEK—LIST OF LOCALITIES CONCERNED

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Postmaster General (Mr. Cote) or to his parliamentary assistant (Mr. Kirk) or to the Secretary of State (Mr. Pickersgill) or to the Minister of Finance (Mr. Abbott)? Will a list of the localities where the five-day 40-hour week will come into effect for Post Office employees be published soon?

Hon. Douglas Abbott (Minister of Finance): I am waiting impatiently myself, Mr. Speaker, and I believe it will.

Mr. Knowles: Will it be tabled in the house when it is published?

Mr. Abbott: Undoubtedly.

HOUSE OF COMMONS

THE HON. MEMBER FOR VEGREVILLE—WELCOME BACK TO HOUSE

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, on a question of privilege, it comes as a great thrill when an hon. member who has been seriously ill returns to this house. On behalf of my associates I have great pleasure in welcoming back to the house the hon. member for Vegreville (Mr. Decore).

Some hon. Members: Hear, hear.

ONTARIO-MANITOBA BOUNDARY ACT

DEFINITION OF PROVINCIAL BOUNDARIES

Hon. George Prudham (Minister of Mines and Technical Surveys) moved the third reading of Bill No. 79, respecting the boundary between the provinces of Ontario and Manitoba.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when we were in committee of the whole on this bill I asked certain questions which the Minister of Mines and Technical Surveys was not able

at that time to answer. I do not intend to take up the time of the house on this matter now, but I just wish to say I have figured the matter out for myself and even though the minister did not have the answer I can say that the line which is confirmed by this bill was the line which was actually in existence and accepted prior to the last redistribution bill. This means that although we have lost 200 acres of good Manitoba territory to the province of Ontario there is no change as to the boundary between the federal constituencies of Churchill and Kenora-Rainy River so far as this bill is concerned.

Motion agreed to and bill read the third time and passed.

PATENT ACT

AUTHORIZATION FOR INCREASES IN STATUTORY FEES

Hon. J. W. Pickersgill (Secretary of State) moved the third reading of Bill No. 177, to amend the Patent Act.

Motion agreed to and bill read the third time and passed.

CANADIAN FORCES ACT

AMENDMENTS TO DEFENCE SERVICES PENSION ACT, NATIONAL DEFENCE ACT, CANADIAN FORCES ACT, ETC.

Hon. R. O. Campney (Associate Minister of National Defence) moved the third reading of Bill No. 80, respecting the Canadian forces.

Motion agreed to and bill read the third time and passed.

SUPPLY

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of supply.

UNEMPLOYMENT—MOTION FOR EXAMINATION BY COMMITTEE ON INDUSTRIAL RELATIONS

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, this afternoon it is my intention to move, on behalf of the official opposition, an amendment having to do with the question of unemployment. This is the first opportunity afforded us, since the house reconvened after the Christmas recess, to have a discussion of this particular problem. We believe that the time has now come for parliament, as distinguished from the cabinet, to take a hand in giving consideration to this important question.

Proposed Committee on Unemployment

For many weeks now, from many of the constituencies represented in this house, there have been reports of unemployment. Then when the *Labour Gazette* for the month of December, 1953, appeared we found there, dealing with this question, a statement which gave some concern. It is under the heading "Manpower Situation in Local Areas" and reads as follows:

> Further declines in industrial activity during November resulted in a considerable increase in the number of idle workers.

Then further in the article we find this paragraph:

> A great deal of the increase in unemployment was the usual result of the oncoming winter; but comparison with last year indicates a marked non-seasonal element in this increase. It is evident, in fact, that employment expansion in manufacturing and other industries this fall has not been sufficient to absorb the additions to the labour force during the year.

Subsequently from time to time questions were asked in the house and on January 26 the Minister of Labour (Mr. Gregg) made quite a lengthy statement outlining the position of the government. That statement will be found commencing at page 1446 of *Hansard* for January 26. The minister pointed out that there are two sets of figures having to do with the extent of the unemployment problem. First of all, there are the figures kept by the national employment service showing the numbers of those who have applied for work. Then there are the figures issued by the bureau of statistics based on a survey of those without jobs and seeking work.

He gave some of the figures. For example, those without jobs and seeking work as of December 12—I think that was the date—amounted to 190,000. That figure was up from 132,000 the year previous; in other words, there was an increase from 2·5 per cent of the labour force to 3·6 per cent. He also gave the figures of those listed with the national employment service as looking for work. As of December 12, 1953, that figure was 338,000, up from December of 1952 when the figure was 237,000. In other words, there was an increase of over 100,000 in numbers and also an increase in the percentage, from 4·5 per cent to 6·4 per cent of the labour force.

The minister went on to explain that there was always a certain amount of seasonal unemployment in Canada; that is a fact which, of course, we all admit. But then

he listed the types of industry in which unemployment was becoming a problem. For example, he said:

For some, import competition has become keener. This has been particularly true in the case of clothing, textiles and electrical appliances industries. Others, such as sawmilling, farm implements and certain base metal producers have found world markets becoming increasingly competitive. Forestry operations in eastern Canada are currently proceeding at the low levels of last winter, partly because of improved technology in forestry operations, and partly because of softer lumber and pulp markets.

He also said this:

Aside from the difficulties experienced by some industries, there has been a tightening up in many sections of the economy and, as has been the experience of other trading nations, we have gradually moved from a seller's to a buyer's market.

Then the Minister of Labour went on to deal with the action that could be taken by the government and he mentioned first the commencement of a public works program. That idea did not seem to appeal to him greatly because with regard to it he said:

At present, it seems to me that it would be unwise to embark upon a greatly expanded public works program.

He pointed out that the unemployment insurance fund was carrying the load or the burden of unemployment but he also referred to family allowances and old age pensions. Just what they had to do with it I never could quite see, but here is what the minister said:

Many unemployed workers are also being assisted by family allowance payments and by old age pensions. In addition, the provincial and municipal governments are making social welfare payments which benefit those in need.

By that I presume he meant that relief was being paid out to some of those Canadians who were unable to get work. He ended the statement with these words:

There is, however, a residual problem and the most effective way of solving it is through the joint efforts of the provincial and municipal governments and of the federal government.

That was on January 26. On February 9 the Canadian Congress of Labour met in my home city of Vancouver, and I believe similar action was taken in some of the other cities in this country. We find their meeting reported in the press as follows on February 10, under the heading of "Rising Unemployment Creating Concern":

The growing spectre of unemployment is causing increasing concern among Vancouver labour leaders.

A suggestion that the Union of Unemployed Workers—grim reminder of depression days—be re-activated was called for Tuesday night by the Greater Vancouver and Lower Mainland Labour Council (CCL).

"There were 100,000 more Canadians unemployed in December than the same month in 1952," said secretary-treasurer Vic Forster.

[Mr. Green.]

"Vancouver now has the second highest unemployment population in the country."

Council recommended holding a joint meeting with the B.C. Trade Union Congress and the B.C. Federation of Labour on the subject.

On the following day, February 10, the Bank of Canada issued their report for the year 1953 and we find the governor of the bank referring to the seriousness of this unemployment problem. At page 4 of the report he has this to say:

Employment during 1953 averaged about 2 per cent above 1952. About one-half of the increase occurred in manufacturing industries and the remainder largely in trade and services. Unemployment for most of the year was slightly lower than in 1952.

Then here are the striking words in his report:

But in the latter part of 1953 employment did not keep pace with the annual increase in the labour force and in December the number of persons without jobs and seeking work was estimated at 190,000 as compared with 132,000 in December 1952.

The governor was obviously referring there to the figures issued by the bureau of statistics and not to the numbers who had applications for work on file with the national employment service. On the same day, February 10, a delegation met members of the cabinet, and we have a press report of what happened at that meeting which is really quite striking. The heading of the article is "Warns labour pricing itself out of jobs". The first paragraph reads:

Labour this morning was firmly lectured by Acting Prime Minister Howe to face the cold economic facts of life.

Apparently the Acting Prime Minister (Mr. Howe) wound up his lecture to these labour representatives with the following statement:

Flatly, he informed them he saw no immediate improvement in the prospects of their industry or their employment and that they had better hunt jobs in other than the farm implement plants.

That seems a rather dictatorial attitude for the Acting Prime Minister of this country to take. However, there you have the lecture which was delivered by the right hon. gentleman less than a week ago. The following day, February 11, a joint submission was made to the cabinet by the Trades and Labour Congress of Canada and the Canadian Congress of Labour. These organizations were represented by four very distinguished Canadians, the Trades and Labour Congress of Canada by Percy R. Bengough, president, and Gordon G. Cushing, general secretary-treasurer, and the Canadian Congress of Labour by A. R. Mosher, president, and Donald MacDonald, secretary-treasurer. These men are all well known from coast to coast for their sane and reasonable approach to public problems. I have known Mr. Bengough for many years. He came here from

Vancouver some years ago to head the Trades and Labour Congress of Canada, and the west coast has not had a finer citizen than Mr. Bengough. When he takes a stand he does so because he sincerely believes in the policy he is advocating and is looking toward the best interests of the nation.

In making this submission on unemployment these men represented about 955,000 Canadians. They spoke for nearly one million of our fellow Canadians. The very fact that the submission was a joint one indicates its importance, because these two great bodies have not made a joint submission for several years. I have their submission here and I propose to quote from the first part of it because I think it sets out the problem in a very clear way. It opens in this way:

> The joint delegation appearing before you today represents the Trades and Labour Congress of Canada and the Canadian Congress of Labour. We do so to discuss with you the serious current unemployment situation and to place before you certain recommendations and suggestions which we believe will relieve it.

Then we have the first heading: "How much unemployment is there?" The submission continues:

> At the middle of December, there were 338,066 unplaced applicants at N.E.S. offices.

That of course was the approximate figure given by the Minister of Labour (Mr. Gregg) in the house on January 26. The submission continues:

> These figures are now nearly two months old. What has been happening since? Between mid-December, 1952, and mid-February, 1953, the number of unplaced applicants rose by over 69 per cent. If the same thing has happened this year—and worse may have happened—the number now must be over 550,000. This means that about one worker in every seven is unemployed.
>
> Economists generally agree that, even under conditions of full employment, when there are enough jobs to go around, at any given moment there will be from 3 to 5 per cent of the workers unemployed because they have just left one job and not yet got another. This is what the economists call "frictional" unemployment.

I emphasize these words that follow:

> Plainly, however, our present unemployment in Canada is far too big to be shrugged off as merely "frictional". Nor can it be merely "seasonal". The mid-December figure was 42·5 per cent above the year before.

Then the submission goes on to explain and point out where the unemployment is to be found, and it sums up the matter in this way:

> For every region, the real percentage of workers unemployed is well above normal even for this time of year.

I was interested to note that they break down the situation into metropolitan areas, major industrial areas, major agricultural areas and minor areas. Here is what the report says with respect to the different areas:

> Of the metropolitan areas, three, Vancouver-New Westminster, Quebec-Levis and St. John's, Newfoundland were in "substantial surplus"—

The reference is to substantial surplus of labour.

> —five, Montreal, Winnipeg, Hamilton, Calgary and Edmonton, in "moderate surplus", and only two, Toronto and Ottawa-Hull, in "approximate balance". For these areas, "substantial surplus" means over 9·9 per cent unemployed, and "moderate surplus" 5·9 to 9·9 per cent.
>
> Of the major industrial areas, twelve, including Saint John, Moncton, Three Rivers, Lake St. John, Brantford, Cornwall and New Glasgow, were in "substantial surplus", and seventeen, including Halifax, Windsor, Oshawa, London, Sudbury, Sydney and the Niagara peninsula were in "moderate surplus". Only one, Guelph, was in "approximate balance". For these areas "substantial surplus" means over 11·9 per cent unemployed, and "moderate surplus" 6·9 to 11·9 per cent.

I would remind hon. members that these are not January or February figures but go back to December. I continue:

> Of the major agricultural areas, two, Charlottetown and Riviere du Loup, were in "substantial surplus", over 13·9 per cent unemployed, seven were in "moderate surplus", 6·9 to 13·9 per cent unemployed, and five in "approximate balance".
>
> Of the minor areas, twenty-one were in "substantial surplus", twenty-four in "moderate surplus", 6·9 to 13·9 per cent, and twelve in "approximate balance".

The submission indicates that this unemployment was not in a small group but in a wide variety of industries in Canada. Then the submission quotes from the *Labour Gazette* for January as follows:

> During the last few months, the expansionary trend in output and employment in the Canadian economy has lost some of its momentum.

These labour leaders conclude the first part of their submission with these words:

> But the number of workers hasn't. The growth of employment is not keeping pace with the growth of the labour force. The result, inevitably, is increasing unemployment. Present unemployment is far beyond "frictional" or "seasonal". It is neither localized in particular industries nor in particular geographical areas. Whatever the causes of this alarming situation, it is clear that something drastic is happening to the Canadian economy and that something must be done about it.

One would have thought that a submission of that kind made by these responsible Canadian leaders would have been taken very seriously. Mind you, some of the members of the cabinet may have treated it in that light, but we find again that even these leaders were given a lecture. This time the lecturer was not the Acting Prime Minister but the Minister of Finance (Mr. Abbott). He undertook to show these labour leaders where

they were off the rails. I have the press dispatch of February 11 appearing in the Montreal *Gazette*, as follows:

Jobless Increase Alarming—Labour.
Abbott Takes Sharp Issue
With Unions' Figure
of 580,000 Idle

And the dispatch goes on to say:

Spokesmen for the federal cabinet and for Canada's two largest labour congresses today came into sharp disagreement on the seriousness of the country's current unemployment.

A joint brief from the congresses described the situation as "alarming", but Finance Minister Abbott suggested the labour groups' jobless figures are wrong and said the winter unemployment picture is only "unpleasant."

Union officials claimed, in a submission to cabinet members, that unemployment now stands around 580,000, which would be a post-war peak.

Mr. Abbott held it was much lower, and he cautioned labour against taking a "too gloomy" outlook on the ground that this could slow down business expansion.

Apparently the highest post-war figure was 434,000 unemployed in 1949.

On the following day, February 12, these labour leaders issued a statement as a result of their interview with the cabinet. I received a copy and I presume every other member in the house was furnished with one. To my mind it is a most impressive document, and opens with these words:

Yesterday afternoon the enclosed joint submission on unemployment was presented to the Minister of Labour and other members of the cabinet.

It reviews the present unemployment situation in Canada as seen by the Trades and Labour Congress of Canada and the Canadian Congress of Labour and proposes certain remedies to relieve the present serious situation.

We regret the attitude of ministers in attendance was to regard the present high number of unemployed as not being a serious situation. It was suggested that as responsible labour leaders in Canada our organizations should not propagate an attitude of gloom which might have a retarding effect on plans for the coming year. Nevertheless we presented to the government the picture as we see it.

When reports start appearing in the daily press of soup kitchens being opened, bread lines being formed, unemployed workers rebelling at low unemployment insurance payments, families being evicted from their homes, all because of insecurity and unemployment, it is time to take this problem seriously.

On that same afternoon of Friday, February 12, the Minister of Finance was questioned in the house, and on that occasion he did not seem to take the situation any more seriously than he had done before. His statement, as reported at page 2026 of *Hansard*, is as follows:

These are some of the measures which the government has taken to adapt government policy to current conditions. If economic activity declines, the government is in a position to take stronger action in these and other directions, but I should like to emphasize that as I and my colleagues view the present situation there is no justification for stronger action—

[Mr. Green.]

The following day a report was issued by the bureau of statistics showing that unemployment insurance benefits in December of 1953 totalled $16,882,000 as compared with $10,926,000 a year earlier and $10,172,000 for the month of November, 1953. It shows that compensation was paid for 5,413,000 days of idleness as against 3,586,000 in December of 1952 and that there were increases in December in the number of initial and renewal claims in all the provinces, as compared with the same time last year.

I have gone to some length in giving these figures and reading these statements because they lay the groundwork for the amendment I am going to move. We believe this problem of unemployment is important and that it is serious. We are not trying to frighten the Canadian people or to upset plans for the development of the country. But we are convinced that the unemployment question is now serious, and that it should be faced at this time, rather than weeks or months hence.

The submission of the labour leaders, in its closing paragraph, says this:

When unemployment reaches the proportions now being experienced in Canada, it has more than economic effects. It carries with it social problems and political potentials which cannot be ignored.

Unemployed workers and their families must be relieved of their hardship and suffering. But equally important, we must create and maintain a stable Canada, economically, socially and politically.

I believe there is great value in acting on this problem without delay. It is obvious that there are wide differences between the situation as portrayed by the labour leaders and the picture given by the Minister of Labour (Mr. Gregg), by the Minister of Finance and, presumably, by other members in the cabinet. Frankly, there is not very much hope in the statements of any of these ministers that this problem is going to be dealt with effectively or at an early date.

In any event we believe that parliament, as distinct from the cabinet, has a responsibility in this matter. The private member of parliament, attending here as a representative of thousands of his fellow Canadians, has a direct responsibility to do something about the question. Parliament must be supreme in this land. For too long now parliament has sat back and allowed the cabinet to do everything. Parliament has been brushed aside by the cabinet ever since war broke out in 1939. It is time that sort of thing stopped. Parliament must no longer be pushed into the background; and it is the

responsibility of private members of parliament to see that we have an accurate picture with regard to unemployment today, and that they have an opportunity to make recommendations as to what should be done to meet it.

There is only one way in which parliament can get at the problem, and that is by setting up a special committee—and setting it up at once. We believe there should be such a committee, and that its first job should be to examine the unemployment situation and find out just exactly what the figures are. Either side may be wrong: perhaps the labour leaders are too high; the cabinet is probably much too low. But let members of the House of Commons find out for themselves what the actual unemployment situation in Canada today is. And, having done this, let them recommend to the house and the government the steps which could be taken to meet the situation, both the short-term and the long-term problem. Let such a committee bring in worth-while recommendations which, I believe, would be of great help to the nation.

And so, Mr. Speaker, I 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:

"whereas the facts respecting unemployment recently presented to the government by Canada's two largest labour organizations are widely at variance with the statements issued by the government,

Now, therefore, be it resolved that this house is of the opinion that a select committee should be appointed immediately for the purpose of examining into and reporting upon the actual unemployment situation throughout Canada and for the purpose of making recommendations to this house as to short-term and long-term methods for dealing effectively with this problem".

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I have listened attentively to the remarks of the hon. member for Vancouver-Quadra in moving his amendment. I do not propose to refer specifically to the amendment at this time because in the course of my own remarks there may be some that will have reference to it indirectly and I hope will answer some of the questions that are in the minds of hon. members.

My reason for entering the debate at this juncture is that I felt, before it had gone too far, it would be helpful to give to hon. members information we now have available from the last labour force survey and national employment service survey for January as to the numbers about which my hon. friend spoke. The information which I will give will be contained in the regular monthly press statement which will be released very shortly. My reason for jumping the gun on it and giving totals here is that I felt that if this debate came up today it would be much better to have up to date totals for discussion rather than discuss figures a month old. The press statement of course will contain fuller details. Incidentally, I should like to express my thanks to some of the hard-working officials of the dominion bureau of statistics, the unemployment insurance commission, and the Department of Labour, for sacrificing some of their week end to make this possible.

I will touch first upon the survey of the dominion bureau of statistics. The total number of people estimated to be in our Canadian civilian working force during the week ended January 23, 1954, was 5,242,000 persons. This represents an increase of some 32,000 persons over the estimate of approximately the same date one year ago. Out of that total labour force of 5,242,000 persons there were 4,465,000 persons working full time during the survey week ended January 23, 1954. For purposes of this discussion and this reckoning, full-time employment is defined as 35 hours or more of work per week. It is estimated that at January 23, 357,000 people worked fewer than 35 hours; another 139,000 had jobs but did no work during the survey week, owing to temporary lay-offs, illness, labour disputes, bad weather and a number of other miscellaneous reasons; while there were 280,000 persons who were, to quote the phrase of the dominion bureau of statistics, "without jobs and seeking work".

Mr. Green: Are those figures on the same basis as the figure of 190,000 which the minister gave in his statement in January?

Mr. Gregg: For the previous month, at the 12th of December, 1953, yes. A year earlier, in the month of January, 1953, the estimated number working 35 hours or more was 4,533,000; the number who worked fewer than 35 hours was 321,000 in January, 1953, and those with jobs but not at work numbered 169,000. At the same time there were 187,000 persons "without jobs and seeking work".

I will now turn to the information available from the national employment service operations of the unemployment insurance commission. The number of applications for jobs listed with the national employment service offices across Canada—there are about 220 of them—on January 21, 1954, was 524,000. This figure represents an increase of 140,000 over the total on the corresponding date of 1953; that is January, 1953. As I indicated to the house last month, these two sets of figures—which the hon. member for Vancouver-Quadra referred to—are the product of two quite different types of operations.

They do not contradict each other, and each is, I think, valuable for its own purposes, and one supplements the other. I know that hon. members will realize that there are many complications involved in trying to find the measure of those who are unemployed.

Mr. Green: Before the minister goes on will he tell me whether the figure of 524,000 who applied for work is on the same basis as the figure which he gave on January 26 of 338,000 in January?

Mr. Gregg: I have not that figure before me immediately, but the figure of 524,000 which I gave just now is the figure for those who applied for jobs and were listed by the national employment service on January 23, 1954. I think the figure my hon. friend has is the correct one for December 12, 1953.

Mr. Green: In December, 1953, it was only 338,000.

Mr. Gregg: I think that is the correct figure.

One approach that may assist us to place the situation in better perspective is to try and break down those who are unemployed in two or three broad categories, and even those categories may overlap one upon the other. One group includes those workers who are idle owing to constantly occurring shifts of workers between jobs, or who are idle owing to temporary plant shut-down, resulting from break-downs or fires, labour management disputes and so on. A certain amount of this kind of unemployment is not only unavoidable but essential, since it is a necessary part of labour mobility in the kind of changing economy we have in Canada.

Now, this kind of unemployment is referred to by the economists as "frictional" unemployment, as it was referred to in the brief presented by the joint committee of the two labour congresses the other day.

The second kind of unemployment with which we are all familiar—I do not need to talk about it—is that which occurs regularly each year as a result of normal climate changes or other annual recurring changes affecting production and employment. This will be referred to as seasonal unemployment and it is usually met with during our very cold winters, with which everyone is familiar.

Frictional unemployment and seasonal unemployment make up by far the largest proportion of our current unemployment. The remainder results mainly from adjustments in production in response to such factors as shifts in consumer demand, high inventories or keener international competition. These broad distinctions of those unemployed help us to put the unemployment problem which faces Canada today into some kind of perspective. It helps the public to consider more intelligently the kind of action needed.

My hon. friend referred to the statement which I made to the house last month. I think it is fair to say that it would be wasteful and ineffective to undertake a public works program to deal with unemployment that is frictional in nature or even largely seasonal. This is what I had in mind in my earlier statement to the house when I suggested that a special public works program would not be effective in dealing with our current unemployment problem this winter.

Of course, public works or national projects increase the sum total of employment, but I was thinking of the seasonal unemployment situation in 1954. In the case of what I have called frictional unemployment 220 local offices of the national employment service in all parts of Canada help people to make shifts between jobs as quickly and as easily as possible. During the month of December, that is two months ago, these offices made some 63,000 placements. That was made at a time when seasonal unemployment was closing in. This figure is actually not very much lower than the figure for December, 1952, during which some 73,000 placements were made.

In addition to these local placement activities our national employment service endeavours to bring workers and jobs together over great distances, either on an individual basis or through the organized movement of large numbers of workers. Some of these movements are regularly undertaken in co-operation with the provinces.

There is a minimum amount of this type of frictional unemployment always present in Canada. This is indicated by the fact that even during the high employment months of last summer, and they were high, the number of persons registered for jobs with the national employment service did not fall below 161,000. Seasonal unemployment in our Canadian economy is always high during the winter of course and it reaches a peak in the late months of the winter or during the early spring.

During the years of general manpower shortage during world war II the volume of seasonal unemployment was at a low level. During the post-war years, as economic pressures gradually eased, the volume of seasonal unemployment has increased year by year. The number employed in the country's seasonal industries has also grown year by year.

Another factor is that the woods industry which used to employ large numbers of persons in the winter months has through mechanization and an increase in its activities

during the summer reduced the number of additional workers taken on during the winter months and also has reduced the length of their period of employment.

In my statement to the house last month I pointed out that the industries which contributed most to seasonal unemployment during the winter are construction, the retail trade, fruit and vegetable preserving, water transportation, saw and planing mills, hotels and restaurants, meat and fish products and pulp and paper mills. The decline in employment on the average each winter in these industries amounts to around 300,000 persons. The total number affected by the reduction in employment in all industries reducing their activities during the winter months is a good deal higher than this total of 300,000, although many of those laid off withdraw temporarily from the labour force.

In many cases the most practical approach to reducing the extent of seasonal unemployment is constructive action taken by both management and organized labour. There are, however, in addition to what the workers and employers can do, some steps being taken by the government. In the case of the federal government the local employment offices have been encouraging both large and small employers in their areas to plan their work so that as many jobs as possible are done during the relatively slack winter months. I would like to pay a compliment in this connection to the representatives of both management and labour as well as to public-spirited citizens generally for the assistance they have given to the work of our local offices in this and other ways through the local, regional and national employment committees.

As I said earlier in the house, an inquiry is being made into seasonal unemployment by the national employment committee at the request of the national advisory council on manpower. In addition the Department of Labour has undertaken in its economics and research branch some basic studies of seasonal unemployment. These studies are directed at determining the pattern of seasonal swings in employment in each of the major seasonal industries and discovering practical ways in which seasonal variations in employment can be reduced. This work, it will be fully appreciated, cannot yield direct results overnight, but I am convinced that this type of fundamental research will in time produce, in co-operation with industry, some valuable suggestions for further action.

I might mention here that important technical developments have occurred in such industries as construction which are helping to extend employment throughout the winter months.

I have tried to deal with frictional and seasonal unemployment at some length. I know that the house will not want me to try to deal with each of these industries that have been discussed here, but I should like to say just a word with regard to the coal mining industry in both the maritimes and the west.

Mr. Diefenbaker: Will the minister permit a question before he proceeds? Can he indicate to the house what proportion of the present unemployment is due to piled-up inventories and the like, to which he made reference, or to changes in requirements and production? What is the proportion estimated by his officials?

Mr. Gregg: I could say what I think it is, but my guess would not be any better than that of my hon. friend. I did state a little while ago that this task of producing statistics on unemployment is at best only a very good estimate. It would be impossible for me to make an estimate as to the proportions he asks for that would be any good to my hon. friend.

The decline in the coal industry has resulted from a combination of factors such as the substitution of oil for coal in domestic and industrial use, the increased efficiency of coal-burning equipment, and in the Cape Breton industry the mechanization of some of the Dominion Coal Company's mines in an effort to improve the competitive position of the product through increased output per man.

The unemployment situation has been aggravated in such areas as Minto—the hon. member for Royal (Mr. Brooks) will recognize reference to the Minto and Chipman areas—because the other main industries of lumbering and logging are operating considerably below normal levels. At the present time, however, there is every indication from the maritimes area that employment in most mines will not fall further at least over the course of the next few months. I would like to express my satisfaction in regard to the fact that my colleague the Minister of Mines and Technical Surveys (Mr. Prudham) has not only visited the area himself with members of the coal board but has also instructed an expert in the use of coal, in the person of Professor Christie, to visit the area next week.

Mr. Brooks: I would like to ask the minister a question. Could he tell me whether the reduction in the consumption of coal by the Canadian National Railways from Minto has been made in favour of coal mined in some other part of Canada?

Mr. Gregg: Mr. Speaker, I can only speak offhand, but in the maritime region, to which I believe my hon. friend is referring, my opinion is that it has been reduced slightly so far owing to dieselization, but not I believe by competition from coal from other areas.

The hon. member for Vancouver-Quadra referred to the delegations which visited Ottawa last week. Members of the government have been meeting a good many delegations during the past week or so on this matter of unemployment. The hon. member referred particularly to meetings with the joint delegation of the Trades and Labour Congress of Canada and the Canadian Congress of Labour which came to meet members of the government last Thursday. We discussed, in the presence of many members of this house from all parties, many of the problems connected with the present unemployment situation. Hon. members know the tenor of the discussions, and I do not think any hon. members present could say that anyone gave anyone else a lecture. I certainly did not. They did not give us a lecture and I am certain the Minister of Finance (Mr. Abbott) did not attempt to give them a lecture. I did state, as reported, that I felt in discussing this question of statistics that while everyone was entitled to his own opinion, our national employment service estimate of this year, listed in our 220 offices across Canada, as regards the number of those seeking work was greater than those who were actually out of work. I believe some of those present did not agree with that, though I think each of us recognizes that we are all entitled to our own opinion.

The close interest which the delegates demonstrated, evidence of which is found in the brief from which the hon. member quoted, is appreciated by me as Minister of Labour and by the government. It is our desire, as it is theirs, that human hardship be lessened as much as it can possibly be.

Some of the proposals laid before the government in their joint representation at that time are already being implemented. For example, an increase in grants to countries that have not the same opportunities for development as Canada. The other representations that they made will be given careful study.

There is no doubt some of the industries I have mentioned are experiencing difficulties, but offsetting these there are many which are in excellent condition, even in midwinter. I shall not review these today because I hope some of my colleagues may wish to speak later on in this debate on these matters. I would like to say that in so far as training can assist workers who have been laid off in industries where production has declined, the Department of Labour is prepared to make its facilities fully available. While that may only take care of a small part of the problem, it means that every unskilled worker who can be made into a skilled or semi-skilled worker is almost automatically assured of employment on a year-round basis.

Today there are very few skilled workers without work. Wherever workers are willing to enter other fields of employment, the Department of Labour in co-operation with the provincial governments is prepared to help them acquire greater skills under the Canadian vocational training program. Over the years since world war II some 408 thousand persons have been trained under this program, apart from those trained in vocational schools. It is impossible to assess how much the development of Canada, by this means, is due to the training received by nearly half a million young people, included in which figure, of course, is the great body of young men and women who came out of the services and took up vocational training. At least an equal number have received training in these vocational schools with assistance under our federal-provincial training agreement. This total includes, in a number of provinces, persons who were unemployed at the time their training commenced. Such people are given an allowance for board and lodging in addition to their training, provided jointly by the federal and provincial governments.

I might also point out that the federal government is doing a great deal to provide support to those who are unemployed. The present unemployment insurance program covers 78 per cent of our wage and salary workers at the present time. This coverage has increased since 1945, as the figures I am now about to give will demonstrate.

On November 1, 1945, the total number of wage and salary earners, in round numbers, was 3,083,000. The number covered by unemployment insurance amounted to 2,101,000; the percentage covered by unemployment insurance amounted to 68 per cent. On November 1, 1949, these figures were, 3,688,000 workers, 2,569,000 were covered by insurance, or 70 per cent. On November 1, 1953, the total number of workers amounted to 4,107,000 and the number covered by unemployment insurance was 3,219,000, or 78 per cent.

In the calendar year 1953 over $148 million was paid out in unemployment insurance benefits, as well as supplementary benefits paid to workers whose benefit rights expired between January 1 and April 15.

The hon. member for Vancouver-Quadra indicated that such things as family allowances and old age security payments had nothing to do with unemployment. But, Mr. Speaker, if they did not come from the taxpayer by way of the federal government to these people, the workers of Canada, through some channel, would have to be provided with these moneys, otherwise their standard of living would be very much lower.

As my colleague, the Minister of National Health and Welfare (Mr. Martin), pointed out recently, the anticipated expenditure by the federal government for 1953-54 on family allowances will amount to $349 million, $345 million for old age security and $22 million for this government's share of old age assistance, in addition to which there are expenditures over the whole range of government activity covering every department which is helping to maintain employment for many hundreds of thousands in Canada.

I might add that one of the most important factors at the moment is what the government is doing during this session in extending the National Housing Act in order to make available a larger amount of money for housing construction and for employment in the construction of houses. I think every hon. member will agree the government has done much to bring about a favourable climate under which employment opportunities have greatly extended in Canada throughout the past year. The high level of employment has been such that, as far as we know at any rate, there has been little call on the resources of any of the ten provincial governments. As I said when I began, Mr. Speaker, my object in speaking at this time is only to try to give the house some of the facts concerning this situation. I think it is important that we should quietly and sanely look at the facts and, as the hon. member for Vancouver-Quadra (Mr. Green) said, maintain a sane approach to this problem and not attempt to put it on any other ground than a desire to resist hardship that may face any of our fellow Canadians.

Not in this house but outside of it I have lately heard such expressions as "a national catastrophe". What a remark for anyone to make about a nation such as ours, when we have all been talking with the greatest of gusto about our great national resources and about the great enterprise of our people; and I think we have been talking that way with truth. Such an expression is, I think, not only untrue but is one which reflects upon our faith in an economy in which we can take a good deal of justifiable pride.

I am going to admit right away that to those families whose breadwinners have been thrown out of work—and I can speak, for example, of my own town of Marysville—it is an extremely serious situation. I might refer also to Dominion, the town of my friend the hon. member for Cape Breton South. Those families and others like them elsewhere in Canada have our deepest sympathy. It might become much more serious for those families if nothing whatever stood between them and outright want.

The provinces have responsibilities to help guard their people against hardship. I for one have no reason to believe other than that the provinces are effectively helping this winter if and where they find it necessary.

As I have stated, the federal government has assumed responsibilities in this combined effort to guard Canadians against the hardships of unemployment. It has a duty to sponsor national policies that will encourage a high level of employment. This the federal government has done and will continue to do. The number of people in productive work in Canada today at mid-winter indicates that. There are just about 5 million now working out of our 15 million total population of men, women and children.

The federal government—in fact, my department—has a definite duty to assist in the maintenance of industrial peace in those industries which are national in scope and which come under federal jurisdiction. Industrial peace is, of course, one of the greatest defences against unemployment. A strike not only causes hardship to the families of the workers on strike, but in our closely-knit economy it often causes hardship to those engaged in dependent and related production processes. Owing to the good will and co-operation of labour and management in those industries coming under the federal labour laws, I am glad to say that there have been only three strikes with not more than 2,000 workers involved during the past year, and there are no strikes at the present time within the federal field.

The federal government has a duty, which I have defined, to help find jobs for workers who lose their jobs and to administer benefits, under the unemployment insurance principle, to workers while seeking jobs. We are carrying out those duties, as I have tried to outline. In 1953 our national employment service placed 993,000 workers. Even in the month of December 63,000 workers were placed. As to insurance benefits, at the beginning of this year over 200,000 persons were in receipt of regular insurance benefits. You will say that a good many of those benefits will run out before the winter is through. That is true. But last winter—which is the latest year for which we have the full record of supplementary benefits—between January 1 and

April 15, supplementary benefits were paid to 136,000 workers. This year, of course, the number will be greater.

As I have noted, in the calendar year 1953 a grand total of $148 million was paid out in unemployment insurance benefits. Of that total 80 per cent came from the employers and employees but 20 per cent came from federal taxpayers.

Let me remind the house also that it is to the families of the workers in Canada both insured and non-insured that the $349 million in family allowances this year will go. The workers of Canada would have had to find some other way through private, municipal or provincial channels to provide the $367 million which went last year to the aged citizens of this country, had it not been paid by the federal government through the federal government taxpayers.

These are only some of the main items to indicate the direct action which the federal government has taken within the realm of its responsibility. An impressive story is available on the part that various federal departments play in sponsoring activities which have a vital impact upon Canadian employment opportunities, and I hope it will be discussed during this debate. Just as I have welcomed the constructive suggestions and criticisms of the great national unions and those put forward by the mover of this resolution today, so will I listen attentively to any suggestions that may be put forward as this debate proceeds this afternoon.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I am glad I tried to raise this question last Thursday as a matter of urgency. I at least directed the thoughts of other people to the matter, but apparently did not make any great impression. This question of unemployment is not going to find a solution in the appointment of a committee of the House of Commons. It is a question that demands action. In the experience of most members of this house, the appointment of a committee is merely a convenient way of shelving a question and one which the people who want to send it to a committee have of getting rid of it for the time being. I am therefore disappointed—

Mr. Fulton: That was not the case with the old age security committee, as the hon. member himself will recall.

Mr. Gillis: I am disappointed with the approach of the official opposition.

Mr. Fulton: May I ask the hon. member a question? Did he not support the setting up of a committee to inquire into the matter of old age security, and would he not agree that that committee produced useful results?

[Mr. Gregg.]

Mr. Gillis: Mr. Speaker, my learned friend apparently does not understand the matter which is before the house. The matter of social security is a long-range program; it can go on for a long time and there is no finality to it. This question is one of urgency. What I said a moment ago still stands. You are dealing here with the bread and butter of people. It is a matter that should not require much study either by the government or by the members of the house. It is a matter that we have been faced with since 1914. It is a matter of war, false prosperity, depression and another war. Most members of this house have gone through all that. It should not be difficult for us to recognize the symptoms again. Unemployment is just a symptom of a disease. Once a good doctor recognizes the early symptoms of a disease, he will go to work and do what medical science tells him he should do in order to prevent the patient from going through all the agony of the disease and then succumbing to it. In the light of conditions in the world, unemployment as we have it today is a symptom of depression. I am going to call on a couple of good doctors as witnesses on the subject, and may I say that this is not a case of the C.C.F. crying "wolf, wolf". I have in my hand a clipping from the Montreal *Gazette* of December 4, 1952, which reads as follows:

> Fear of a world depression, perhaps within the next two years, was expressed today by the Canadian Importers and Traders Association, embracing about 400 Canadian import firms.

That view was expressed in 1952, and the prediction is that we could be in the first stages of a depression in 1954. The second clipping I have is taken from a source which should be an authority. It is from the *Globe and Mail* of May 7, 1953, and reads as follows:

> Thomas Oakley, past president of the association, said that there are signs of slackening in defence spending among western countries. This would result in a falling off of world trade, the basic cause of depressions.

I approach this matter, as do other members of this group, not from the point of view of straight unemployment but in the light of the ultimate result of unemployment if something is not done about it. I have in my hand another newspaper clipping of recent date from an Ottawa paper. It is a report of a statement made by Monsignor Coady of St. Francis Xavier University when speaking to the co-operative consumers' association of Kansas City in February of this year. He said, among other things:

> Hot and cold wars have been brought about through the fierce competition between powerful industrial interests, with little prospect of their ever achieving finality. Indeed, it now appears that

a state of war, or a continuing threat of war, is a necessary prop to the economy which unbridled capitalism has built up.

That analysis is not made by the C.C.F. but by a very sane and sensible person.

Some hon. Members: Oh, oh.

Mr. Gillis: I suppose that members of the C.C.F. are not considered sane and sensible. As a matter of fact, Monsignor Coady went to the United Nations to lecture to the economic and social organizations of that body. In the face of statements from such people, and looking at the present picture in an unbiased way, I think we can agree that the hon. member for Vancouver-Quadra (Mr. Green) stated the matter very tamely and offered no recommendation. While the Minister of Labour (Mr. Gregg), in so far as his office permits him, has done a fairly good job of rationalizing the problem, he has offered no solution, and let me say that it is immaterial whether the number of unemployed today amounts to 300,000 or 600,000. It is a serious matter in any case. It would be serious if only one person were involved. That is clearly emphasized in a report appearing in an Ottawa paper on Saturday. It is headed: "Happy in apartment until their bills piled up", and deals with a young man who was evicted from his home and shot his landlady. He is unemployed. Only one person was involved in that instance but it is a serious matter. It is serious whether it involves one person, 300,000 or 600,000 who have to get up in the morning not knowing where their breakfast is coming from.

In his statement the Minister of Labour indicated to us that his department is watching the problem and keeping track of it. But the problem goes much deeper than the Minister of Labour is prepared to admit or his advisers are prepared to go in putting the story on paper and pointing it up for him. I have a dispatch from Washington indicating that United States jobless now total 2½ million and another one from the maritimes to the effect that about 10 per cent of the labour force are unemployed today. Someone will say: What has the United States got to do with the matter? It has a lot to do with it because whatever happens economically in that country is automatically going to spill over into our country whether or not we like it. We are geared pretty tightly to their economy today, and when ten or eleven per cent of our working force are unemployed it is serious.

When the United Nations economic committee summarized the problem last year they decided that when you have over 5 per cent of your total labour force unemployed you have got to do something about it, not just appoint a committee or rationalize the question on the basis of figures but do something to cut down the percentage of unemployed and put purchasing power in their hands. Otherwise you are going to be in trouble before very long.

I think what most of us perhaps realize but do not like to say is that what we are now going through in Canada and the United States is the second phase of the cold war, and it is aimed directly at the North American continent. After 1945, when our former allies decided that they were not going to play ball and that world conquest was their only goal, they mapped out a program which they put into effect. Their program was to promote national revolution and lead us into a defence spending spree that would raise standards and create a lot of employment. They have succeeded in that purpose. What is the next step? It is to knock all that down, and that is being done today through the trade war with which we are confronted. Unless we are realistic we are liable to be caught napping, and I say this without fear of contradiction by those whom we look upon as employers in this country. I think it is also safe to say that it is true of the British today that they are going to sell where they can do so most easily and buy where they can buy more cheaply whether or not it means unemployment in another section of the world. I think that statement is borne out very clearly by a clipping I have which is headed, "Russia offers billion dollar sales to visiting British export group".

That particular group of thirty British businessmen, who went to Russia to find new trade channels, are not concerned about maintaining employment in Canada or the United States, or in Britain as far as that is concerned. If they can make a deal with Russia and can sell commodities on the world market and compete with others in other sections of the world they are going to do so. They are doing so.

When we look at our own unemployment problem we see what we are up against. For instance, our textile industry is pretty nearly out of business today and it is not a seasonal problem. The competition is not coming from Japan but largely from the United States, where standards are high and where wages are much higher than in Canada. Through mass production methods the commodity can be put on the market that much cheaper, with the result that our textile industry is going out of business. And it might be interesting to find out just how many of the textile operators in Canada are

linked up with the textile industry of the United States. I think if anyone will chase them down he will find that most of them are pretty closely linked up. The result is that they may not be very much concerned about maintaining a plant in Canada, if by folding it up they can leave the market open for the textile industry in the United States, in which they are financially interested.

That angle should be checked; and I think it is being checked by the government. So, you see, there are all kinds and types of unemployment; they can be put into all kinds of classifications. But they all add up to the same thing: unemployment. And I think members of this house are going to have to sit down and be realistic about the matter. They must realize that as soon as possible something has to be done in Canada to head off mounting unemployment.

And this unemployment is not confined to textiles. You have it in the coal mines; you have it in the steel industry; you have it in textiles, in lumber, in the fisheries. We have it all over. And we want to be prepared to take a look at it for what it really is. It is the second phase in the cold war. Russia today has put on a trade offensive right around the world. She has dumped her gold reserves on the world market. She has embarked upon that offensive, and has provided the money wherewith her goods might be bought. As a result this North American continent is the target, so far as that offensive is concerned.

We want to be realistic, and recognize the situation for what it really is. If the employers in this country are concerned about maintaining democratic institutions, then they must not sit down and force the government, or sit back and depend upon some mysterious thing coming out of all those slogans to find a solution for them. It is up to the employers of Canada to sit down together and to realize that they are the people who have the most to lose. In addition to that, they are the people who can do something about this question of unemployment. While the government can take certain measures to help, very definitely employers across this country must co-operate with the government 100 per cent if this developing unemployment situation is to be overcome.

A few days ago the Acting Prime Minister (Mr. Howe)—and the hon. member for Vancouver-Quadra (Mr. Green) made reference to this—in talking to a delegation of workers representing the workers in implement plants told them, according to press reports, that they were pricing themselves out of the market. Well, there is something in that; but the Acting Prime Minister did not go back far enough. I agree that perhaps the farm implement industry to some extent has priced itself out of the market; but what is the reason for that? Let us see who started this business of price increases in Canada. In so far as farm implements are concerned, we know that early in 1946, right after the close of the war, an appeal came to the House of Commons asking for an increase to the extent of $5 a ton in the price of raw steel produced by the steel manufacturers of Canada. That meant about $14 or $15 a ton increase in fabricated steel. And we know that steel is basic to the whole economy of our country: when steel goes up, everything else goes up.

We argued against and fought that increase here in the house on the ground that it was a first step toward breaking price controls and setting up the spiral of inflation. But we know the steel industry got that $5 a ton increase. Then it was only a few weeks or months later when farm implements, and everything else in this country, went up in price in proportion to the increased costs.

Mr. Howe (Port Arthur): May I ask my hon. friend if he is not forgetting the first stage. I think the first stage was the demand from the steel workers to break the wage ceilings.

Mr. Blackmore: That was the second stage.

Mr. Gillis: Yes, that was the second stage. The Acting Prime Minister will recall what happened, I am sure, because we were both members of the committee on industrial relations and listened to the whole steel dispute. One of the main arguments used by representatives of the steel workers before that committee was that there was no reference to the point as to whether a certain proportion of that increase would be used to increase wages. The government allocated the increase, and how it was to be used.

The first round was when the steel industry demanded that increase. Then, on top of that came the demand for increased wages—a very modest demand in comparison with what the manufacturers were looking for. And that is where it all started. From there on it went up, up, up. We tried to hold the line in the House of Commons. Our argument was that in the aftermath of war, if price controls were ever necessary, then most certainly they were necessary for at least three or four years in that period of time when we were getting back to peacetime conditions. We know of course that a lot of exploitation takes place in a period of that kind.

Nevertheless that was when the spiral began. So that the Acting Prime Minister cannot very well contest that point. It is all

right to make the statement, but the fact is that the responsibility does not rest with those men who work for wages in plants. And further, I think the employers in steel did not play ball; a later examination of their books discloses that they did not need that increase. They wanted to gouge the people while they were still war-minded and not paying very much attention to money. It is catching up on us now.

I just wanted to say that because I know the Acting Prime Minister wants to be and generally is fair. There is no one who could carry all that stuff in his head or who would be able to meet everything that came up and be absolutely accurate about it. I say those people in the house who pressured the government to remove price controls back in 1946, 1947 and 1948 are equally responsible with the government and with others outside the house who wanted controls off. "A free economy", they said "and you will have prosperity in Canada." All I have ever seen out of that so-called theory of a free economy is that you are free to go barefooted if you do not have shoes, or free to go hungry if you cannot get something to eat.

The only time during my lifetime when the economy has worked properly was during a period of war, when the government accepts responsibility to some extent for the management of the economy, and the allocation of manpower and materials in those directions where they will make the greatest contribution in a given situation. If a certain amount of that procedure were carried on in the post-war period I do not think we would be in this situation at all today.

We might as well be frank and face up to it, that so far as the mechanics of society is concerned, there is only one alternative to depression and unemployment, and that is war. And there is nothing wrong right now that a little war would not fix up. We do not want to forget that, and we want to be honest in facing it and do those things that are necessary to prevent this business of unemployment.

Some may say that it is all right to criticize, but I would tell them that I have all kinds of facts and figures to support what I say. I would turn, for instance, to an article by Clifford Scotton, a co-operative press association representative, who has made a very good analysis and certain recommendations. I shall not take the time of the house to read it. Then I also have a factual summing up by the Trades and Labour Congress of Canada and the Canadian Congress of Labour, in which certain recommendations are made. I imagine we have all that sort of thing we need on the record.

Proposed Committee on Unemployment

My colleagues and I have asked several questions in an effort to get the background of the government's thinking on this question of meeting unemployment. I wanted to know, for example, whether the government was doing any thinking or planning along the lines of what they are doing in the United States today under their defence manpower policy No. 4. They have a dozen of these policies, but this one deals with surveying the country in regions, and when unemployment reaches a certain figure in a certain region the United States government declares that a special region. Only last week Detroit was declared a special region. The government then begin to put any contracts they have to do with in that region, to direct contracts there. They will look at the industrial expansion of the country, and if it is necessary to put an industry in that region to overcome unemployment they will do it.

We are not doing that in Canada. The maritimes is one place where you might try to do something. The highest percentage of unemployment in the Dominion of Canada today is found in the maritime provinces. It tops the list. That is the official position taken by the minister's department in a recent statement I saw. That is a place where something could be done, and that is something the department should think about.

The government can take steps. The first thing the government has to understand is that it must accept some responsibility for talking to the people who are managing the economy of this country today. As a start, let us take the textile industry. I do not believe that any industry located in a town such as Marysville, New Brunswick, with 520 employees, with all kinds of institutions built around that particular industry over a long period of time, should be permitted to close its doors and wipe out the whole economic future of that community. It should not be permitted by either the federal or the provincial government. It is all right for an industry like that to come into a community, set up business and entice all kinds of investments around it, and stay there so long as it is making money; but as soon as the balance sheet is affected the wrong way it takes no social responsibilities. It closes its doors and walks out. That is true also of the coal industry.

The government has to enact some kind of laws that will prevent an economic upset of a whole community without any greater justification than that they are not making enough money.

What can you do? Well, I am going to make these few recommendations. The government should first act by undertaking the

general economic planning required to take up the slack in Canadian industrial and business activities. This can be done by a combination of altered fiscal policies, expansion of our aid to underdeveloped countries through the Colombo plan and United Nations agencies, and through direct government intervention to stimulate industrial development and raise the standards of living of the Canadian people.

My hon. friends to my right will say right away "economic planning". They will say those are terrible words. You should not be afraid of that. What you are afraid of is what someone has told you. That is what they are doing in the United States. This business of surveying the country and deciding that when unemployment reaches a certain figure in a region they are going to do something about it, are going to put in an industry there, are going to allocate contracts, is economic planning. Nothing is being done about it here. We did it during the last war, and that is what I mean; that is what we mean by economic planning. The minister has told us that in other fields they are doing something. There is no doubt that family allowances, unemployment insurance, veterans' pensions and all these other things are a stimulus to the economy and create purchasing power. The situation would be much worse today if we did not have them, but they do not take the place of employment.

My second recommendation is that we should take specific action to cope with the problem of seasonal unemployment. This must be joint action between government and industry to ensure that production schedules are so staggered throughout the year and that off-season work is so planned that the seasonal fluctuation in unemployment is reduced to the barest minimum. This was done successfully during wartime and there is no reason why it cannot be done again.

The minister has stated that this is the biggest drain on unemployment insurance. The former deputy minister of labour, Mr. Arthur MacNamara, who retired after many years of valuable service, said when speaking at Montreal a month or two ago that he did not think all was being done that could be done in the matter of seasonal unemployment. But there again the government cannot do anything about it unless they have the co-operation of those who control the economy of the country. The Minister of Labour and his staff cannot do anything. They are hard-working; they know what should be done, but they cannot do very much about it unless the employer will sit down with them and plan his operations so that seasonal unemployment can be overcome in the area in which he operates. Nobody else can do anything about it under present circumstances, unless the full co-operation of the employer is secured.

My third recommendation is that there should be special assistance to relieve the hardship and suffering of families hit by what the government calls regional unemployment. A special commission for exploring the possibility of establishing additional or alternative industries in the areas concerned must be appointed. If such measures give no hope of fully meeting the unemployment problems in a given community, ways and means must be provided to assist the people in the area concerned.

I think we are going through a new industrial revolution so far as the coal mines and steel are concerned. It is technological unemployment, and it is permanent. It is here to stay. Something has to be done to meet that technological upset in different parts of Canada, in the regions that are badly affected. The maritimes are affected by both coal and steel. More than 3,000 men have gone out of the coal industry in the last six or eight months. Some 1,600 went out of the steel plant because of modernization within the past couple of months. That region has been badly upset. The government should make a special study there because power is necessary to overcome the difficulties of that centre.

An expert is being sent in to look into thermal power. That is a long-range program. I was in hopes that the minister or the Acting Prime Minister, who is an engineer and very farsighted, might set up a little pilot plant on atomic energy in that region. That is the logical place to do the first experiment in Canada. I notice that in Ontario they are going to put in a pilot plant, no doubt with the co-operation of Chalk River. That is being done in a province that is spending hundreds of millions of dollars for hydroelectric power. Why not put a little pilot plant in the maritimes where the lack of power is our greatest difficulty? I suggest that the Acting Prime Minister do some thinking about it.

My fourth proposal would be that sharp increases be made in the benefit rates for unemployment insurance. The present amounts are pitifully inadequate. That is borne out by a lot of evidence. That fund has reached almost a billion dollars today. The rates are low. It is not hard to understand the feeling of a person who is making $60, $70 or $80 a week, who suddenly finds himself unemployed and having to get along on $24 a week. In some parts of this province $24 a week would just about pay the rent, and would leave nothing for food, fuel

or the other things that are necessary. I suggest that the minister should give some consideration to stepping that right up. The second thing he should do, and do immediately, is extend the unemployment insurance benefits until there is work available for those who are now unemployed because of technological and other reasons.

There are a lot of people today whose benefits have run out. The supplementary benefits have helped them and will help them until about April 15, but after April 15 there will be nothing for them. I heard many people say during the discussion of external affairs that there is a struggle in the world today for the minds of men. If that is true, what do hon. members think of the state of mind of a man who has seen two world wars, who took part in one and who sent his children to the second? Those world wars were to end war, to make a new world and all that kind of thing. All of a sudden, eight years after the last war, he finds himself without employment, he finds himself looking into the glass right back to 1939.

It is all right to give aid to countries outside of Canada. That is all to the good; but the first minds that we should take care of are the minds of the Canadian workers and the Canadian people generally. Many of these men see their unemployment insurance benefits running out. When a man is in that position his mind is not going to be too receptive to slogans about democracy and freedom. He will ask you "Where is my freedom?"

I submit that there should be an extension of these benefits to guarantee to those men, who have been displaced because of many reasons, that they are going to have something to support their families until gainful employment is found. Responsibility should be assumed for those who are eligible for unemployment insurance and have exhausted their benefits.

There are a number of people in this country who are unemployable because of handicaps of one kind or another. Many of them live in parts of the country where there is no available employment. I submit that the minister and the government should get together with the provinces in order to iron out the question of jurisdiction over these unemployables, these people who cannot be employed because of some slight handicap. I believe that if these steps were taken immediately and you advertised what you were going to do, there would be some hope for these people, who could then begin to look forward. As it is now they are pretty discouraged.

Proposed Committee on Unemployment

The official opposition has suggested setting up a committee of the House of Commons as we did in connection with price maintenance, prices and all those things, but that offers no hope. What we want is action, and we want it now. Therefore I move, seconded by the hon. member for York South (Mr. Noseworthy):

> That all the words of the amendment after the words "this house is of the opinion that" to the end of the amendment be deleted and that the following words be substituted therefor:
>
> "the serious and mounting unemployment situation now facing this country calls for immediate action by the federal government to prevent further economic distress."

I am reasonably sure that the hon. member for Vancouver-Quadra (Mr. Green) will vote for this subamendment. He is always so fair and reasonable. We are very good friends and I am sure that after sober reflection he will realize that with the little time he had to think about the subject, setting up a committee is not the action that should be taken. I know that he is a man of action. He wants action. He always demands action. In this case I think he should say, "I am quite willing to let the amendment I moved go by the board, and I will back the member for Cape Breton South."

I ask the government to adopt this subamendment without further delay and get busy and show us some action in connection with this whole question of unemployment.

Mr. Speaker: Before I read the amendment to the amendment I should like to ask the hon. member for Vancouver-Quadra (Mr. Green) if he would not correct his own amendment so that instead of asking for the creation of a select committee, the standing committee on industrial relations be called upon to examine into and report upon the actual unemployment situation throughout Canada. I do not want to appear to be splitting hairs but, as hon. members know, it has been the practice to refer matters pertaining to labour, unemployment and employment to the standing committee on industrial relations. According to citation 604 of Beauchesne's second edition a standing committee is described as follows:

> A committee which is appointed beforehand, for the consideration of all subjects of a particular class, arising in the course of the session, is denominated a "standing" committee.

If the hon. member for Vancouver-Quadra, and the seconder, the hon. member for Prince Albert (Mr. Diefenbaker), do not object I would suggest that the amendment should read as follows, with the preamble remaining as it is:

> Now, therefore, be it resolved that this house is of the opinion that the standing committee on

industrial relations should immediately examine into and report upon the actual unemployment situation throughout Canada and present recommendations to this house as to short term and long term methods for dealing effectively with this problem.

Mr. Green: That is perfectly satisfactory.

Mr. Speaker: I appreciate the co-operation of the hon. member. Therefore we will consider that the amendment as moved by the hon. member for Vancouver-Quadra and seconded by the hon. member for Prince Albert is corrected in the way I have indicated.

An amendment has been moved by the hon. member for Cape Breton South (Mr. Gillis), seconded by the hon. member for York South (Mr. Noseworthy), as follows:

That all the words of the amendment after the words "this house is of the opinion that" to the end of the amendment be deleted and that the following words be substituted therefor:

"the serious and mounting unemployment situation now facing this country calls for immediate action by the federal government to prevent further economic distress."

The only reference I should like to read now in connection with the amendment to the amendment is citation 371 of Beauchesne's third edition. I am not making a ruling; I simply want to submit this at the moment. The citation reads:

A subamendment which proposed an alternative to the original amendment is in order provided it is relevant to the question.

Mr. Ambrose Holowach (Edmonton East): Mr. Speaker, I intend to keep my remarks brief and as much to the point as possible in dealing with the unpleasant situation which has been created by "seasonal and sectional" unemployment. I think all of us are very interested in trying to solve the problem posed by the unhealthy employment situation existing in Canada and other parts of the world, resulting from various reasons.

First, it seems to me that our first responsibility as members of parliament should be to all the Canadian people who have sent us here for the purpose of charting the course of our national life, not only to secure our nation from outside forces but to eliminate also economic injustices which endanger the well-being of our nation. I believe every member of parliament should remember that although the Canadian people have grave responsibilities which in the past they have discharged magnificently, they also have definite privileges not the least of which is the right and heritage of every Canadian to find conditions within our country which will enable him or her, if willing and able, to work and find reward for their labour or investment in order to provide for their families and share in the abundance of this God-given land.

The unemployment situation, as far as I am concerned, is perhaps not in the full sense of the word a serious crisis; but it is closely related to the unemployment situation in the United States, as well as in the other nations of the free world. To my mind the unemployment picture in Canada is a danger signal, related very closely to the unemployment picture in every country of the western world, and it is the consequence of a slowly developing but far-reaching policy on the part of those who are determined to wreck our way of life. Let us not make any mistake about that.

The exact number of unemployed in Canada is not, I think, important in this debate; nor would it be possible, I believe, to determine the exact figures. The figures released by the government a few moments ago do not tell the whole story, because the unemployment insurance commission as well as the census bureau can give us only a partial picture. There are many jobless workers who are not covered by unemployment insurance, and many who have exhausted their unemployment benefits. The real figures, in any event, are far greater than those given to us by the government spokesman; and I think, for practical reasons, in viewing this unemployment picture in Canada we should consider the hundreds of thousands of people who are dependent upon the unemployed in this country.

The unemployment situation in Canada is very serious. Every single hon. member in this house, I am sure, will admit that unemployment is already a serious problem in his own constituency. I know it is a serious problem in the constituency of Edmonton East, which I represent. We know the agricultural industry is in distress, although the government has often stimulated the entire industry artificially. The coal industry has been in distress for many years. There has been repeated mention in the press and over the radio of large lay-offs in the textile industry, the shipping industry, and in the railway industry. I believe if an examination is made of the number of business failures it will reveal quite clearly that the unemployment situation demands the immediate attention of the government. Whatever the exact unemployment figure may be, I believe, if we view it in the light of the limited population in Canada and the total labour force we will see that it represents a very serious percentage.

I would like to get to the meat of this matter, for the people of Canada are listening very carefully to interpretations placed upon this unemployment situation by labour leaders, the government and by business. They are listening patiently, because it is not an easy matter for them to discern what is truth and what is fiction in much of the double-talk which is going on. It is suggested we should not talk about unemployment because it may create adverse conditions and spoil plans for the future. We would like to know just what these plans for the future are, but more precisely my people are interested in knowing about the plans for the present. Perhaps if we heard of these plans from the government the people might be comforted and accept the belief that the unemployment situation is not serious.

If we were told there are great investments to be made in 1954 I should like to remind those who point to such predictions that prophecy alone will never provide prosperity. If we are to be told of the untold opportunities which exist in Canada I should also like to say that the potential of our land in the economic sense means nothing unless development of that potential takes place.

The government has told us that the present unemployment situation in Canada is an unpleasant seasonal repercussion due to adjustments in our economic life. Let us look at some of the facts as presented by people who are familiar with the situation. I have in my hand a clipping from the *Globe and Mail* dated January 21, 1954. The heading reads "338,066 Seeking Work; Peak Since Wartime." The article reads:

> Canadian unemployment is the highest since the war and is still climbing.
>
> Labour leaders, looking at post-war peak figures, predicted the jobless figure will rise to 500,000 by the end of this month.
>
> Two widely varying sets of figures were issued by the government today in its periodic survey of employment. One—from the labour department—showed 338,066 persons looking for work through national employment service at December 10. This compared with the previous post-war high of 312,000 in the late winter of 1950.

Then I have a little clipping here taken from the Edmonton *Journal* dated February 10, which carries the heading "List 12,000 in area seeking work." The report states:

> The number of persons looking for work in the Edmonton district exceeded 12,000 last week, officials of the national employment service in Edmonton said Monday.

It seems to me, Mr. Speaker, that this is a serious matter. I do not know why the government dismisses it in the manner in which it has done. I for one have never heard of a fire being put out by ignoring it, or a public enemy No. 1 being arrested through the indifference of those charged with the responsibility of capturing him. I believe the Canadian people at this time are calling on the government to create the freedom and conditions which will enable unemployment to be ended in Canada.

I say this because it seems to me there has been a disgracefully false accent placed on the responsibility for unemployment. We have read of the battle being waged between leaders of industry and labour leaders. Each blames the other for responsibility in this situation. While they are blaming one another, there is a third party, the political expedient, standing on the side and playing one against the other for the sole purpose of acquiring political advantage. I believe that until such time as both labour and business realize their prosperity is indivisible then so long will stoop-shouldered workers be no different from weary and stoop-shouldered businessmen.

At this point I should like to read a statement of great significance which was made by Dave Beck, executive vice-president of the international brotherhood of teamsters, chauffeurs, warehousemen and helpers of America, in an address which he delivered before the Commonwealth Club of California, at San Francisco:

> We of American labour believe in our free enterprise system. We do not believe in it simply because it benefits those who have money invested in business upon which they may make profits. Not at all. We believe in free enterprise because we know that it has preserved our liberty and at the same time has given us the highest standard of living and opportunity the world has ever known.
>
> Free enterprise, as opposed to communism and socialism, is in the interests of the vast, overwhelming majority of the people who toil for their living, both here and in other countries. I believe in free enterprise because it inspires initiative within men and women. It provides them with opportunities to rise above their environment and to attain any high place which their ability and intelligence will permit them to achieve. I contend that no system in the history of the world has ever made possible such progress for the working men and women, as free enterprise has accomplished for the American people. I have travelled somewhat around over the world and I do not know of a single solitary country where the working man lives under as fine conditions as he does in this land of free enterprise.

I think that fairly well sums up the case as far as free enterprise goes. Yet certainly nobody in this parliament will condemn or not appreciate or approve the demands which labour is making. I think we would all approve a statement which was recently made by James P. Mitchell, Secretary of

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Labour, United States, delivered at the convention of the Congress of Industrial Organizations at Cleveland, Ohio, on November 18, 1953 in which he made reference to President Eisenhower's attitude toward union and labour as well. He said:

> Amidst all the speculation here and at other labour meetings over what is President Eisenhower's attitude towards unions, my advice to you is to keep clearly in mind the President's own words:
>
> "I pledge that I will support and strengthen, not weaken, the laws that protect the American worker. I will defend him against any action to destroy his union or his rights. I will enlist every resource—of private industry and of the federal government—to protect him against the awful consequences of depression and joblessness.
>
> "I will work unceasingly to build an economy that will maintain for him a high level of wages with steady purchasing power so he and his family can share fully in the comforts of American living . . ."

I think that fairly well sums up the point of view which we as Social Crediters hold. I believe that labour and business must remain happily married for good or both will become poorer, and that fair wages are just as important as are fair profits. Any politician who endeavours to drive those two enterprises asunder is remiss in his contribution to the economic life of this nation. If both labour and business realize this fact I believe it will provide the necessary background for an improved free enterprise system, which is the only way of maintaining our people in a manner to withstand the coming onslaught on our economic life which is already being engineered in the matter of world trade.

I think it is about time both labour and business united and pointed their index finger at the real source of the trouble, namely the impotent and unenlightened fiscal policy of this government, which is endangering our private enterprise system and putting us deeper and deeper into socialistic measures. That policy is a tax policy which harasses business and workers. The credit policies of this government discourage private investment and encourage government spending.

We believe that both labour and business should make a frontal attack on those policies, for they have resulted in the dwindling purchasing power of the earned dollar. The government policies are geared for ever-increasing interference with the normal development of business, and have failed to implement steps leading to convertibility of currency in international trade. The jungle of every kind of tax conceivable has psychologically destroyed and is rapidly destroying the initiative of business for further investment. I believe that those policies are closely related to the unemployment situation in Canada.

[Mr. Holowach.]

In passing I should like to emphasize the fact that a little bit of blame should be laid on the press of this country. I believe that there exists no better instrument for defending democracy than our free press; but they have failed to draw the attention of the public of Canada to discrepancies in the matter of government fiscal policies, thereby discouraging the one force that could call a halt to this situation.

As Social Crediters, Mr. Speaker, we have always championed the cause of private enterprise, and we make no distinction between business and labour. We have repeatedly championed the removal of the ridiculous fiscal policies and agreements on international trade which have shackled our export business. We are the only ones who have a clear-cut and simple method of supplementary purchasing power without further taxation which would further cripple the incentive of our people. We have advanced these things not only because they are economically right but because they are morally right.

I should like to ask the government what is its policy with regard to alleviating the present scandalous situation in the matter of unemployment; what thought is being given to an immediate start on a vast public works program to absorb the growing number of unemployed; what inducement is being given for an immediate start on the St. Lawrence seaway, the trans-Canada pipe line, the building of a trans-Canada highway from Winnipeg through Saskatoon, Edmonton, Edson, Jasper and the Yellowhead route; what thought has the government given to a thorough revision of the whole Canadian taxation structure in order to eliminate all those taxes which are restrictive to productive enterprise as a further stimulus for reinvestment, and what encouragement is being given to the Canadian people to share in the home and export markets created by the products of our farms, factories and mines?

I believe that the outstanding feature at this time—and unemployment is only one of the symptoms—is a situation where we have idle merchants standing side by side with unemployed workers and, at the same time, ever-mounting inventories of goods and services which the people need and have produced but cannot acquire because they have no purchasing power.

In conclusion I say that the problem of unemployment is clearly one of an economic nature, and that the dangerous situation of this period is the taxation structure which presently exists. Unless unemployment is

immediately halted, I think there can be a chain reaction which might be even more devastating than the atom bomb.

On behalf of my constituents I should like to say to the government that their real responsibility is not only to provide work for the unemployed, but to guarantee that Canadians now and in the next generation shall enjoy the benefits of freedom also in the economic sense of the word. One of the ways this can be done is by immediately reducing the tremendous tax burden which the people of Canada have to bear at this time, for it seems to me that cancer is gnawing away at the vitals of our free democratic way of life. Unemployment is certainly only one of the symptoms.

The Canadian people, from my knowledge of them, are a very patient lot. On August 10 they gave a vote of confidence to the Liberal administration. But it seems to me that confidence is not without limits and it may be, if the government persists in its taxation policies and is unable to solve the unemployment problem, that the time is not distant when a vast change in their mentality may take place, and they will ask for new brooms to sweep clean.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the debate so far has justified the amendment moved by the hon. member for Vancouver-Quadra (Mr. Green), the purpose of which is to bring before the house and the country a situation that is becoming more serious with the passing days and deserves the attention of the house. It was in that spirit that the amendment moved by the hon. member for Vancouver-Quadra was launched, to provide parliament an opportunity of placing before the government, through a committee, recommendations to meet the present situation. We are not political sadists who get any satisfaction out of the existing state of affairs, but we do believe the time has come to secure action on the part of parliament, too conveniently delayed for too long by the government.

Indeed, as one goes back over the years one can see that there was a similar situation in 1929, when conditions such as we face existed; but the government of that day failed to act, with a resulting depression within our country that took years to repair, if indeed it has ever been repaired. In 1929, when people throughout the country were asking for action, the speech from the throne read in part as follows:

> The unprecedented prosperity which is apparent throughout the dominion affords cause for the deepest satisfaction. Never in the history of Canada has there been such industrial and commercial expansion as that which has taken place during the past twelve months. The industry and enterprise of our people have been rewarded under Providence with an abundant harvest. In the production of agricultural and other basic industries all previous records have been surpassed. New records have also been established in the volume of construction and in the volume of foreign trade. Employment has been maintained at a high level and all indications point to a continuance throughout the country of the present favourable conditions. A notable feature of industrial development has been the continued advance and prosperity of the mining industry in almost every part of the dominion.

That was in 1929, Mr. Speaker, and those are the arguments now being used under similar circumstances. We have placed our amendment before the house in order that a select committee may be set up. The amendment to the amendment of the hon. member for Cape Breton South (Mr. Gillis) simply deletes a number of words and states that the serious and mounting unemployment situation now facing this country calls for immediate action by the federal government to prevent further economic distress.

There is nothing of socialism in that sub-amendment. I listened to my hon. friend place his plan before the house, and with the exception of an addition to the present unemployment insurance payments and the like, the purpose of everything in it would be to bring into effect a national planning scheme whereby all business in Canada would be in the strait-jacket of economic socialism.

As I listened to him asking that a law should be passed whereby when an industry finds itself losing money, when profits can no longer be made, the state should step in and cause that business to continue to operate, I thought of the government businesses established in the province of Saskatchewan within the last ten years. I thought of boots and tanneries, of woollen factories and the like. Those industries paid no taxes. They paid no interest on the moneys used by them; yet, unable to make profits, found it necessary to close down.

My hon. friend's general plan is simply an indication that those who have an "appetite for novelty and the passion of envy" believe that everything can be achieved through state action and state control. In the province of Saskatchewan power has proven an effective antidote to the influence of sentimental propaganda regarding the operation of of business. The dreamland of theory disappeared in that province in the light of cold experience.

What we are trying to do is meet a situation that is becoming more serious with the passing days. We do not predict the oncoming of a depression. We hope the days will not again return when unemployment will be

rampant not only in our own country but everywhere in the world, in both free enterprise and socialist countries. We realize that with conditions becoming worse and worse the Minister of Labour (Mr. Gregg) had little to offer except the hope that what had been done under unemployment insurance and other social legislation had more or less cushioned the impact of unemployment.

But what does he admit? On the 26th of January he placed before the house certain figures indicating that in December, 1953, there were 338,000 applications for work. If I took down his figures correctly, today that figure is about 520,000, an increase from 6·4 per cent to 9·9 per cent of the labour force, an increase in one month of 50 per cent in those who come within that category. That type of statistic constitutes its own warning, and it demands action on the part of parliament.

I do not want to look back, but you will remember, Mr. Speaker, that during the election campaign only six months ago any suggestion of the probability of there being unemployment, any expression of the view that we had not sufficient markets for Canadian wheat, that agricultural markets were being lost, that our trade situation in different parts of the world was unsatisfactory in its implications, was met by ridicule. What are the conditions six months later? We of the official opposition have no desire to arouse the people in any way to apprehend that there is a hastening economic disaster, but the facts should be stated. We realize now, as we pointed out last summer, that our international trade, upon which 24 per cent of the people of Canada are dependent, is in a serious situation. Production has caught up with demand, in many businesses. Layoffs are continuing.

What of the world trade situation? Does parliament know anything about it? A few months ago, during the election campaign, the Minister of Finance (Mr. Abbott) said in effect, when we spoke of convertibility, that it could not be achieved, that it was just a fantasy and a dream on the part of the opposition. We contended that 50 per cent of the world trade within the sterling bloc was lost because this government did not see fit to call a conference in an endeavour to secure convertibility so that trade in that area could be established.

Six months ago they said it could not be done. Ten days ago the minister said in effect, "We are closer than would have been expected a matter of a year ago". Why all the silence regarding the Sydney conference? What happened there? What was decided there? Only tonight I read an editorial in the Ottawa *Journal* which asks the reason for all this silence about Sydney. It mentions the communique issued at the conclusion of the conference, and quotes from the London *Economist* which termed that communique "a jumble of careful contradictions, in eight pages of double-talk and bad grammar". What was decided there? What is going to be done to meet the situation regarding trade? What is the hope for the future? Unemployment will necessarily continue to mount unless something is done to open the channels of trade.

And what is to be done about taxation? A few short months ago, during the election campaign, I recall again that we pointed out the dangers of the dead weight of taxation, which was squeezing Canadian trade out of world markets. What is going to be done about it? Are we being priced out of world markets in part because of taxation which is being imposed unnecessarily by this government?

Those were our views a few months ago. Those views were ridiculed. Now we find officials of great banks in our country indicating that one of the main reasons we are being priced out of trade today that previously we held is the fact that taxation and other costs are making it impossible for us to meet competition. I have before me a summary of a speech delivered by Mr. Muir, president of the Royal Bank of Canada, which says:

> Some evidence of a buyer's market after years of inflationary pressure should not be regarded as an unmixed evil. The three economic stimulants available are tax reductions, price reductions and easy credit. Tax reductions are always helpful, of course.

And then in detail are set out some of the needs in the present situation. What could we find out in a committee? What attitude does the government take with regard to world trade conditions?

In a recent speech the president of the Banque Canadienne Nationale refers to the dangers inherent in loss of trade internationally. In my opinion equally serious is the present improvident trade balance as between Canada and the United States, which cannot but have a detrimental effect upon full employment in Canada. He says:

> The export trade of Canada contributed to the national income to the extent of some 24 per cent. As our country increases the exploitation of its natural resources and develops its means of production, it should enlarge its markets abroad. However, far from achieving this purpose, it has suffered an appreciable decline in its exports during the past year.

Parliament sits. Does it get any information about what is going to be done by the government, or what its trade policy will be

to meet the situation? Nothing but the silence we have had since Sydney. The president continues:

> Preliminary reports show that, during the first ten months of 1953, the foreign trade of Canada, up by $265 million in comparison with the corresponding period of 1952, was valued at $7,157 million. This considerable figure ranks our country third among the great trading nations of the world. But this progress results solely from the increase in our imports, which have risen by $379 million, whereas our exports decreased by $114 million. Thus, from one year to another, a favourable trade balance of $249 million has given way to an unfavourable balance of $246 million.

I quote this because it is a summary of the situation as the president of the Banque Canadienne Nationale sees it, and I adopt its content. Palliatives will not meet the situation. International trade alone can restore a large proportion of employment in this country. The bank president goes on to say:

> Statistics reveal a decrease in our sales in all countries, except the United States, Japan, Holland and Switzerland, a decline reaching $97 million in the British commonwealth, $74 million of which is in the United Kingdom alone, $82 million in continental Europe and $65 million in Latin America.

Mr. Speaker, do you not remember the pilgrimage made last year, when the Minister of Trade and Commerce (Mr. Howe) went down to South America? I sometimes wonder whether he was able to teach those dictators something. The success of the pilgrimage was measured by a reduction last year to the extent of $65 million in our trade in Latin American countries.

To quote further from the remarks of the bank president:

> If our shipments of animals and derived products, of non-metallic minerals and of chemicals show some progress, there has been a curtailment in all the other groups: agricultural products, fibres and textiles, wood and paper, iron and its products and non-ferrous metals. The causes for this contraction in exports are many and varied.

There is a summary of our trade situation, summed up in a succinct, capsule-like form. Yet was there anything in the speech of the Minister of Labour (Mr. Gregg) to indicate that the situation would be met by some aggressive trade policy? No; nothing but an explanation that some of the unemployment figures were fictional. And then, when I asked him a question about the degree of unemployment due to a loss of markets—the diminishing markets to which I have just referred—the answer of the minister, with all the force behind him of his department, his economists, and the like, was, in effect, "It would be impossible to hazard a guess".

What parliament has a right to know is this. What is going to be done? Certainly in the Colombo plan there is no solution of the problem of disposing of the billion bushels of wheat piled up in this country, or the other agricultural products. The time has come for parliament to know what is going to be done to expand trade and win back some of the trade that in considerable measure was lost last year because Canada and Canadian production, through taxation, has been priced out of the market. Taxation must be reduced. Canada will spend $5 billion this year, the largest amount in history. I realize that the election last year did not teach the government any lesson in the need for tax reduction.

Mr. Howe (Port Arthur): It did not teach the opposition much either.

Mr. Diefenbaker: My hon. friend says it did not teach the opposition. Let me say this. The level of taxation today is considerably responsible for the fact that we are losing our trade.

Mr. Howe (Port Arthur): Inconsequential; that is not exactly pertinent to your statement.

Mr. Diefenbaker: It is inconsequential, the minister says. Is that the sort of attitude we should have from a responsible minister, that high taxation is inconsequential. I am going to refer in a moment to the Regina *Leader-Post*.

Mr. Abbott: Make your own speech.

Mr. Howe (Port Arthur): The hon. member is reading a lot of editorials lately.

Mr. Diefenbaker: That is all right. I have heard the minister read editorials at times when they were laudatory.

Mr. Abbott: Not very often.

Mr. Diefenbaker: I have heard the Regina *Leader-Post* quoted as a newspaper of reputation and capacity, and it is in the spirit of their own definition, sir, that I read this editorial which says in part—and I am going to pick out some of the non-controversial portions, Mr. Speaker—

> Ottawa spending spree continues.
>
> Peace, even though a troubled one, prevails. For our continued prosperity we are dependent upon trade in a highly competitive world. Because of high wages and heavy taxation, ours is one of the highest cost economies in the world. This places our industries at a tremendous disadvantage, particularly our manufacturers, in trying to compete for sales on the world market. Our chief competitors, for instance, do not have a 10 per cent sales tax which enters into the cost of all Canadian-manufactured goods.

Sir, there is a move the government might make, the removal or reduction of the sales tax that in considerable measure acts as a detriment to the expansion of trade through competition. There is something the government could do, and without being bereft

of necessary income. All of us know well that at the end of the year the surplus suddenly vanishes, Mr. Speaker, but for nine long months Canadians last year were overtaxed to the extent of $260 million.

The editorial goes on:

> The tabling of the estimates coincided with the presentation of a brief by the Canadian Chamber of Commerce which contended that tax levels are too high, particularly for a developing country such as Canada where personal incentive and corporate efficiency are the mainsprings of the economy. But it is apparent from the estimates that the government has no intention of following it.

That is a reduction of personal income and excise taxes, which would provide the means to permit of increased competition at home and abroad. That is something that could be done. That is something that must be done; for taxation is squeezing Canada out of world markets.

Ministers of the crown used to say that taxes would be reduced when defence requirements went down. This year defence requirements have been very considerably reduced. I have not the exact figures before me, but it is well over $100 million; yet at this very time the estimates for non-defence items are being increased. The Canadian Broadcasting Corporation are asking for an increased amount. The amount they are to receive is increased from $8,634,000 to $23,644,000. That is being asked for in a year when we are being taxed out of trade markets of the world by our heavy taxation. Surely that is a staggering amount to pay to the radio corporation in a year such as this.

There are many other items one could refer to. While we were promised that reductions in taxation would come when defence needs were reduced, the estimates that were tabled the other day show that the government intends to continue not a drive for greater economy and tax easement but continuance of high taxation that has placed Canada in very considerable measure in a unenviable trading position in various parts of the world.

A word as to agriculture. Today the farmer finds his farm income going down and the costs of the things he buys going up. The farmer finds himself caught between the squeeze of diminishing returns and rising costs. The demand for farm machinery and other things that would be purchased naturally decreases.

What is going to be done in regard to farm markets? As our farm markets disappear the unemployment situation will inevitably worsen as the days go by. What is the attitude of this government in regard to securing markets for our bacon, coarse grains, meats, etc.? Today the Danes are expanding their markets; the Poles are endeavouring to expand their markets. Russia has its coarse grains; Australia and the Argentine have their wheat and their meat. Surely we have a right to know what is to be done. What is the government doing to meet the farmers' plight? The hon. member for Kamloops (Mr. Fulton) says "nothing". If they are doing anything, no one in parliament has been given any information on it.

The Minister of Trade and Commerce was in the west the other day and made a speech in Winnipeg. Even to read the speech in cold print shows one the affability with which it was delivered. He said that western farmers can expect to market their surplus of wheat at reasonable prices despite the decline in overseas markets which has created a change for the worse in the marketing situation. Western farmers would like to hear what is being done in regard to securing markets. Is the Canadian wheat farmer in the position that at present prices Canada cannot dispose of her wheat? Are we to continue to rely on the government, as its ministers go from place to place, sir, and speak outside the house and make those optimistic statements? Now is the opportunity—this debate provides it—to show what is going to be done by the government in the days ahead to meet the present unemployment and market situation.

In 1929 the same warning beacons were in the sky. When unemployment started it was referred to as seasonal, not frictional, because they did not have frictional unemployment in those days. They said then it was merely transitory, that it would not last. No action was taken, and depression followed. Unemployment insurance payments are not enough. They are but a palliative, but do not meet the essential problem. I suggest that the ministers of this government let this country know what is to be done and what are the trade prospects.

Where are the possibilities of extending trade? What will be done to remove the tremendous surpluses of agricultural products, of wheat particularly? Our experience and that of the United States has been that whenever there are surpluses of agricultural products, because markets have been lost, a cycle begins which follows a course regular and direct. The cycle starts with reduced farm demands for manufactured commodities; and a reduction in demand for those things is followed by a reduction in the labour force, and unemployment results.

A committee set up to study and report on unemployment would hear evidence of those who are warning this government and the country of the need for action now. It would

also give members of parliament an opportunity to discharge a responsibility. After all, we are $10,000 a year men and women now, and would welcome all the worth-while work we can get to do. A committee such as this would make a sphere of endeavour available to members that could not but be advantageous, that could not but bring forth suggestions which the government might find helpful to meet a situation which is becoming worse.

We are not trying to build up fears that will bring on a depression. What we are trying to do is have parliament make a contribution now, to the end that we shall be able as a nation to compete in the markets of the world and thereby assure employment to Canadians in Canada. That is the purpose of this amendment, and it was in that spirit we moved it.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, now that the hon. member for Prince Albert (Mr. Diefenbaker) has delivered his election speech we can get back to the subject of unemployment. I should like first to say that any suggestion that the government does not take the unemployment situation seriously is entirely mistaken. I agree with the hon. member for Cape Breton South (Mr. Gillis) that one unemployed person represents a situation that is of concern to the government, and certainly when the number gets up to its present size it is a matter of great concern to the government. The problem is what should the government do to bring about opportunities for employment, and a return to a high level of employment throughout the country.

I would say that the measure of success of a government is its ability to bring about and maintain a high level of employment. As far as this government is concerned, that is its main objective. Anything it does is directed toward giving satisfactory employment to its people and stability that will encourage growth of its industry.

In assessing the problem the first thing to do is measure it. My colleague the Minister of Labour (Mr. Gregg) has given you the facts, but perhaps you would permit me to run over the ground again. There have been numerous reports of late to the effect that unemployment in Canada is running in excess of half a million persons. Presumably these reports refer to figures for job applications on hand at national employment offices.

It is true that since about the middle of January this figure has exceeded half a million. However, it should be made absolutely clear that this figure does not constitute the number of unemployed. As my colleague the Minister of Labour has pointed out to this house, this is simply a figure which becomes available through the operation of the employment service in carrying out its task of helping to place people in jobs. As such, the figure includes people who after registration find jobs on their own while failing to notify the employment office, and also people who have jobs but are not working or are working part-time but can qualify for benefits under the unemployment insurance regulations.

On the other hand, there are some unemployed persons who do not register at employment offices but will attempt to find jobs through other means. The fact that such discrepancies exist means that these figures cannot be accepted as an adequate measure of the numbers of unemployed, even though they are very useful as an indication of general trends and also of the relative position of different localities.

The dominion bureau of statistics instituted in 1945 a survey designed to provide on a current basis essential information on Canada's labour force. This survey is presently conducted each month on a sample basis in accordance with proven sampling methods. The latest available results from this survey show that for the week ending January 23, 1954, there were 280,000 persons out of work and seeking work. In addition there were 24,000 persons who for the full week in question were temporarily laid off. Also there were 65,000 persons on short time or laid off for part of the week.

However, these three figures are not to be added up and referred to as the number of unemployed. Those involuntarily on short time, though partially unemployed, should not each be counted as an unemployed person; moreover, those subject to temporary lay-off can hardly be classed with those having no jobs in sight. These distinctions simply serve to indicate the difficulty of trying to gauge in one simple aggregate the many varied situations encompassed within the term unemployment.

As previously stated, the number of persons without jobs and seeking work as of January 23 numbered 280,000. This represents an increase of 93,000 or 50 per cent above the corresponding figure in January 1953. In other words the increase in unemployment now over what prevailed in a generally buoyant market situation one year ago amounts to roughly 2 per cent of the labour force.

This comparison is not made in any attempt to minimize the extent of the unemployment situation. It does, however, serve to point up the rather narrow margin between a strong labour market situation and what some persons are now attempting to describe as a serious recession. It also should be pointed out that the January figure of those out of work and seeking work is below that reached in early March of 1950, when the figure totalled 308,000 persons.

In fact there is much similarity between conditions prevailing then and now. Largely reflecting a down-turn in output in the United States and a contraction of overseas markets, the tempo of business in Canada experienced some slowdown in that year which coincided with our seasonal slack period. As a result unemployment climbed to a level higher than had prevailed in any previous post-war year. Immediately the alarmists among us began to clamour for measures to offset a pending depression. The government did take action to extend unemployment insurance benefits, but no major anti-recessionary program was put into operation. Nevertheless, by June 1 the number of persons without jobs and seeking work had declined to 139,000 and this, as you will recall, was prior to the outbreak of hostilities in Korea. Had the government acted promptly to bolster demand at that time, such measures would have served simply to add fuel to the inflationary pressures which were dominant before the end of that year.

This experience shows that it is important to remember that economic conditions are always fluctuating, but many of these fluctuations are minor and largely self-liquidating in character. Any attempt on the part of government to smooth out every minor bump and trough in the trend of business may simply aggravate rather than lessen the extent of fluctuations in the economy.

What then is the nature of the economic climate in which we now find ourselves? Is it a relatively minor adjustment or, as some would apparently have us believe, is it the beginning of a major decline? No one, of course, can answer this question categorically or with complete certainty of being right. This, however, does not mean that we should not look over the evidence systematically and make as sound judgment as possible.

Toward the latter part of 1953 those indicators which gauge the over-all level of activity in the economy began to level off, and in a few cases have declined slightly. This change in trend reflects largely a reduction in the pressure of demand rather than any decline in over-all volume. In other words requirements, which in the past two or three years have been mounting rapidly, are now simply not expanding at the same rate. This applies to expenditures for defence and for other government requirements, purchases by consumers and also outlays for investment. In each of these instances the rate of expansion has slowed down. The important exception is exports, which are now running moderately below the levels of one year ago.

This levelling off in demand, taken in conjunction with the moderate decline in activity in the United States economy, has brought a change in the tempo of business activity in Canada. This type of situation is invariably accompanied by a hesitancy on the part of business in placing orders, more hand-to-mouth buying, and a tendency to reduce inventories. This causes a temporary slowdown in the pace of business which in the present instance has coincided with the seasonally slack period in the economy.

Such a situation admittedly gives rise to a good deal of anxiety and, I think, has been prematurely interpreted by many as the beginning of a recessionary trend. Before coming to any such conclusion it is necessary to look carefully at the more basic determinants of the level of economic activity.

In this connection current and prospective levels of investment spending are of utmost importance. At the beginning of each year a survey is made of the amount of capital expenditures planned for the ensuing year by business, institutions and governments and also for housing. Compilation of the returns from the 1954 survey are now complete, and a report embodying the results will be tabled as soon as copies can be printed.

The survey indicates a capital expenditure program for 1954 of $5·8 billion, roughly 3 per cent above the previous record achieved last year. Expenditures for new construction are estimated at $3,865 million, an increase of 6 per cent, while outlays for new machinery and equipment are expected to be 3 per cent lower. With spending on defence construction now past its peak, the federal capital expenditure program, as presently planned, is a little lower than in 1953. Reports from provincial governments indicate their programs to be roughly unchanged, while capital outlays of municipalities should show a moderate increase. Capital outlays of federal, provincial and municipal governments, taken as a group, are expected to remain about the same as last year. Non-government capital spending will be up by roughly 4 per cent and non-government outlays on new construction are expected to increase by 6 per cent.

This projected volume of capital spending has far-reaching significance for the trend of economic activity in 1954. Expenditures on new capital goods account for about 23 per cent of total production in the economy. Prospects of a further increase in the capital expenditure programs mean that in over-all terms this important sector of demand will be more than maintained.

In addition, investment plans tell us a good deal about the state of business confidence. While the foregoing expenditure estimates cover total outlays for new capital goods, including replacement, a major portion of the program represents net additions to capacity. Yet no one builds new capacity except on the expectation that markets will be available for the additional goods or services to be produced. It should be borne in mind also that these investment intentions have been recently submitted, and therefore can be assumed to take into account the uncertainties which have prevailed in recent months, particularly in respect to the future trend of economic activity in the United States.

In these circumstances one can only conclude that, notwithstanding these uncertainties, the collective view of Canadian business enterprise is on the side of continued growth and prosperity in our economy.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Howe (Port Arthur): Mr. Speaker, before the dinner recess I was discussing the prospect for capital investment during the year 1954. I stated that the survey of business intentions which has just been completed indicates that capital investment this year will be about 3 per cent greater than it was last year, which was itself an all-time record representing as it did about 23 per cent of the gross national product of Canada.

I might say that these preliminary estimates are made with great care. Each year in the past we have found that our January estimate was overly conservative. A check is made in July. In every case we have had to revise our estimates upward when the July survey is completed.

The next important factor is the prospect for exports. There again I believe we can look for another good year. The final figures for 1953 show a decrease of 3 per cent in value of exports but, as a matter of fact, in volume the last year was a record year for exports, being even greater than 1952. The reason for the lower dollar value of exports during 1953 was, of course, the drop in prices of many important commodities that are represented in our list of exports. For example in the metals, in 1952 we were exporting zinc at 19 cents a pound; last year we were exporting zinc at 10 cents a pound; we were exporting lead at 21 cents a pound in 1952, and at 13 cents a pound in 1953. There was a sharp drop in the price of lumber included in the exports for 1953.

I believe that our prices have stabilized and that the pricing of our exports for 1954 will not be much different from the pricing in 1953. Our principal export is wheat. The volume of exports to date is not as great as last year owing, as I have explained on several occasions, to exceptionally good crops in many of our principal markets, and also owing to the fact that the war threat has receded to a point where many governments have been using their war stocks of wheat for civilian purposes.

In other directions export prospects have improved. A few days ago I mentioned the opening up of markets in the West Indies, a fact which is important. The return of trading from governments to private hands in the United Kingdom has been helpful to Canada. As that trend proceeds I think we can expect even better markets in the United Kingdom than we have had in the past.

Today I was reminded that our sales to South America are off, and it was suggested that my trip may be the reason. May I say that the reason I went to South America was that our markets at that time were abnormally high. Since then dollar difficulties in several of the South American countries, particularly Brazil, have caused restrictions of exports from dollar countries. However, I am happy to say that today we received confirmation of a large sale of wheat to Brazil. We have not sold wheat to Brazil for several months. I think there are indications that the South American market is finding it possible to use dollars to a greater extent, which will, I am sure, mean greater purchases from Canada.

An hon. Member: You did not trade wheat for coffee?

Mr. Howe (Port Arthur): If Brazil sells coffee at good prices they are apt to buy wheat at our prices. The other factor, of course, is consumer buying. Consumer buying in Canada is at a high level and there is every reason for thinking that a high level of purchasing should continue. I believe those are the three elements that we look to for a forecast of the level of the Canadian economy during 1954,

and in those several directions there seems to be no indication of any serious recession in the year 1954.

It is said that we have not taken any special steps. We have not panicked and rushed out in all directions to take emergency measures to deal with the present situation. We have been reminded that our government expenditures are high. Again they are high because the government foresaw that this would be a difficult year. The transition from a seller's market to a buyer's market is always difficult. Certainly the worst way in which to meet a transition of that kind is to curtail government investment. That is the old theory that did not work so well back in 1931, that when things get tough the government should stop spending and start squeezing its pocketbook. That is not the time to cut government spending. There were important investments that the government needed to make and, in the light of the general situation, it was decided that this would be a year to loosen the purse strings and step up our public works program, now that military construction is less active. That has been the policy of the government for 1954.

In the investment field our economy will be reinforced by two large projects. One is the St. Lawrence waterway project, which we fully expect to be under construction before the end of the year. The other is the longest pipe line that has ever been built anywhere, namely the gas pipe line from Alberta to Ontario and Quebec. I therefore think we can look for a continuing high level of investment in Canada not only in 1954 but well into the future.

How do we explain the discrepancy in the figures which are given us? The applications at the labour office suggest that some 520,000 people are seeking employment. That situation comes about in a very simple way. In the last year or two the list of insurable occupations has been enlarged to include a good many seasonal occupations. I know something about the forest industries business at the lakehead where I reside when I am at home, which is not often. That business has not changed over the years. The men go in the forests in the fall and work there during the cutting season. They mostly work on a piece-work basis; that is, so many cords of wood return a certain wage to the cutter. Since the introduction of the power saw it does not take nearly as long to do the winter cutting as it did in the old days. When the cutting is finished the men return to town, and most of them go back to the little farms they have in the vicinity of Port Arthur. Before doing so, however, they stop at the employment office, register as unemployed and request their unemployment benefits. It is quite proper that they should do so. Then when the drive comes on in the early spring, when the rivers start to open, they return to the forests and take care of the hauling and driving of the timber down the river. By that time the construction season has started and they return to their summer work of construction. That has been their program, and it has been going on for a good many years.

I recall an incident that occurred when I was there about a year ago. A man I knew from my construction days approached me and said that he had just arrived in town from a lumber camp. He wanted to know if I knew where he could get a job. I said, "Do you really want a job?" He said, "I will take a job." I said, "Have you registered for unemployment insurance?" He said, "No; do you think I would stand in line for $24 a week?" That was his attitude. I said, "How much money have you in your pocket?" I will not name the sum, but it was such as to lead me to believe that he was not very anxious to get employment. That situation applies in many parts of Canada. It applies to a good many jobs that are seasonal and always have been seasonal.

Over the past three or four years there has been such a demand for manpower that many seasonal workers have been working during periods in which they do not normally work. That pressure is off. The urgency for the carrying on of construction work throughout the winter has disappeared. The urgency has eased off in many other directions, and there is little off-season employment for men who are normally only employed seasonally. This has caused a great number of applications for employment that really do not represent men out of work. I think we all have confidence in the dominion bureau of statistics. We accept their figures on most matters, and I am prepared to accept their figures on employment. I think they are correct.

In reading a brief presented by the labour leaders who called on my colleagues two or three days ago I noticed that they mentioned figures with respect to frictional employment. They used a figure of 3 to 5 per cent of the labour force, and I thought they were very generous in that respect. Five per cent of the present labour force is about 260,000 men, which is greater than the number unemployed at the present time. I would put the frictional figure at something under 3 per cent. Added to the frictional figure are the people who are unable to find work, and they come largely from particular industries. Ocean seamen are on shore now and looking for work. Training courses are being provided

for them to fit them for other occupations. The textile workers are having a difficult time. There is widespread unemployment in the textile industry. The third industry that is having difficulty so far as employment is concerned is the agricultural implement industry.

These three industries are feeling the effect of the present situation. I stated to a group of agricultural implement workers, as has been said in the house, that I had noticed that the industries in trouble are those that have had the greatest proportional increase in wages from 1945 up to the present time. I put the seamen first, because in 1945 an able seaman was getting about $45 a month, and up until recently he was getting something over $200 a month. The textile workers come next so far as the proportional increase in their wages is concerned. In 1945 and 1946 agricultural implement workers were regarded as being in a rather low paid industry, but today they are higher paid than the automobile workers whom we always consider the aristocrats of labour.

I simply mention these things to indicate that both employers and employees have their responsibility in this transitional period. I always tell employers that this is the period that separates the men from the boys. This is the time when good management is going to pull an industry through and when bad management is going to result in its being in difficulty. In just the same way the workers have a responsibility. This is no time to go out and try to greatly improve working conditions. They have had three or four years of constantly improving conditions, and this is a year in which they should join with industry and all others who are trying to bring about a sound transition from the Korean period to a normal peacetime period.

Certain of our products have been priced out of the market. We found we could not operate deep-sea ships any more unless there is a subsidy of $100,000 per annum per ship. We think that is evidence that we cannot compete in deep-sea shipping. We are not the only people who have felt the competition of southern United States textiles. Many mills in New England are closing down, and one or two have closed in Canada. But this is the competition of our highly organized labour with the unorganized labour of the southern states. That is a situation which presents serious difficulties for the industry and requires very careful handling indeed if our textile industry is to be stabilized.

That is the situation as I see it. I can assure the house that the government is doing everything it believes can be done to improve the situation. We are not panicking. We believe that we have the situation in hand. In January of 1950 there was very serious unemployment, more serious than today, while in June of 1950 there was practically full employment, and we believe that the pattern of 1950 will be repeated in 1954. I believe that as the season opens up we can expect a return to the employment conditions that we have had for the last several years and that we must have if Canada is to be a prosperous country.

Mr. Fulton: Would the minister permit one question before he finishes his speech? He used the figure of $100,000 per ship as the suggested subsidy to keep the merchant marine in operation. Is the government satisfied that that figure is reasonably accurate? Is it a figure that may be accepted as a basis of discussion, or does the minister think there would be any wide variation?

Mr. Howe (Port Arthur): It was brought to us as an analysis of the labour and sustenance cost of a ship under the Canadian flag compared with a ship under the British flag. The figures seemed to be accurate and complete. I think it can be taken as a reasonable differential.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, about this time two weeks ago we were discussing the problems of another group of Canadians who were in distress. It appeared to me throughout that discussion that the distress was a little synthetic or, for want of a better term, a little phony; but there is nothing phony about the distress of the people whose plight we are discussing tonight.

I find myself in the very difficult position that I cannot agree with the reasonable and unconcerned picture of the situation that has been painted by the Minister of Trade and Commerce (Mr. Howe) and the Minister of Labour (Mr. Gregg). I do not like not to do so, because all the cabinet ministers are nice, friendly fellows and I do not like to disagree with them. Someone said that if you are not a great man yourself, the next best thing is to say that you know a great man. So I get quite a lift when I am talking to my election committee back in Vancouver-Kingsway and I can tell them that I am on such intimate terms with the Minister of Trade and Commerce that I can call him "C.D." when we meet.

Mr. Knowles: What do they call him?

Mr. MacInnis: Or when I meet the hon. member for Bonavista-Twillingate—oh, excuse me, I should say the Secretary of State (Mr. Pickersgill)—in the corridors I call him Jack. Yes; when you are a little fellow

like myself it gives you quite a lift. So I feel quite badly in having to bring some of the facts of life to the ministers' attention.

Now let us see what the situation is. It is admitted that there is some unemployment in Canada, but there is a question of how much. The Minister of Trade and Commerce said, very generously, that we should be concerned about even one person who is unemployed. But I can assure him that one person unemployed could not get anywhere, because he could not squawk loudly enough. The more unemployed there are, the more likely something will be done for them because of the greater noise they will make. In the world we are living in today, if you cannot make a noise you are in a bad way; your case is a bad one indeed.

As I said, there is agreement that there is some unemployment. The Minister of Trade and Commerce as well as the Minister of Labour have said, "But wait; the possibilities for investment this year are real good. Some time before the year is out we will start the St. Lawrence waterway. That should be under way before the end of next year." That is what the Minister of Trade and Commerce said just a moment ago.

Mr. Howe (Port Arthur): The end of this year.

Mr. MacInnis: And he says to the unemployed, "Now, if you fellows can hold on until next December you will have a job, maybe." They both agree on that, that everything will be all right if the unemployed can only hold on. Spring will come to the rescue. Korea came to the rescue in 1950. I hope we will not have another Korea in 1954.

The ball is then thrown over to the official opposition. They go over the situation and find that there is considerable unemployment, that it is quite serious indeed. But what do they want to do? They want to refer it to a committee; and by the time the committee is finished it is spring again, and the unemployed are in just the same position under the Conservative amendment as they were before. The situation will be just the same as far as the unemployed are concerned, whether it is left to a committee or left with the government. They say that spring is coming, when things will begin to show up; and that is the talk we are handing out to the unemployed all across Canada.

I tell you that kind of policy will not provide bread, will not provide shelter, will not provide jobs. Surely we have had enough experience with the sort of conditions that existed when my hon. friends took over in 1936, or in late 1935. Surely they have learned something from the conditions they found, until the war rescued us in 1939 and 1940, that they should have been ready now with some concrete proposals the unemployed could get their teeth into. But they are not. We are just as Micawber-like as we were in the 1930's.

Then, as usual, the hon. member for Prince Albert (Mr. Diefenbaker) went over the whole gamut of items—the government in industry in Saskatchewan, the dead weight of taxation, the wheat surplus, the estimates, last year's election, the sales tax, the Canadian Broadcasting Corporation, and a number of other things. He said that these are some of the things that could be discussed in the committee—that is what we are going to have the committee for—to go all over the issues that were discussed during the election last July and August. Let me tell the official opposition again that that, any more than the government's do-nothing policy, will not feed and clothe and shelter the unemployed.

Probably one of the strangest things said during this debate was by my good friend the Minister of Labour. It is said that the human being can rationalize his behaviour in the most unsocial or anti-social circumstances. There is nothing so vile he can do but, given the opportunity, he can prove to you that it was done for somebody else's good. The Minister of Labour went over pretty much the same ground as the Minister of Trade and Commerce. As reported at page 1447 of *Hansard* he said:

> The current unemployment situation is not entirely due to the seasonal factors which I have mentioned although there are indications that the amount of purely seasonal unemployment is greater than in recent years . . . These industries are not operating at capacity employment levels for various reasons. For some, import competition has become keener. This has been particularly true in the case of clothing, textiles and electrical appliance industries. Others, such as sawmilling, farm implements and certain base metal producers have found world markets becoming increasingly competitive. Forestry operations in eastern Canada are currently proceeding at the low levels of last winter, partly because of improved technology in forestry operations and partly because of softer lumber and pulp markets. In most of these industries, there has been some accumulation of inventories at various levels of production and distribution, and employment in several industries is reflecting the consequent adjustments.

Then he went on to say this:

> The government is not ignoring the problems of these industries which are encountering difficulties in adjusting to a more competitive situation in both the domestic and foreign markets.

In effect what is the Minister of Labour saying there? Only this, that there is an accumulation of goods on the market—overproduction, if you like—and because there is overproduction, the people who produced the

goods, or at least some of them, must go hungry until that is cleared off the market. That is all it means. I would like to know if the government is not ignoring the problem of those industries which are encountering difficulties in adjusting to a more competitive situation in both the domestic and foreign markets. What are they doing? In these circumstances what is the government doing that is of value to those people who are now unemployed?

Then the minister said:

> Nevertheless, I feel that it would be a mistake to draw a gloomy picture for the economy as a whole solely on the basis of the situation in which certain industries find themselves at the present time.

And then I find my genial friend the Minister of Finance (Mr. Abbott) reported in the Montreal *Gazette* of February 12 in respect of an interview following joint representations by the executive of the Canadian Congress of Labour and the executive of the Trades and Labour Congress of Canada. The newspaper article states:

> "While we should not bury our heads in the sand and say everything is fine," Mr. Abbott declared, "we should be careful and not paint too gloomy a picture, because I do not think it is justified.
>
> "The plans of people with regard to business can be affected by too much talk of rising unemployment and a possible recession.
>
> "I think we should be a little careful about taking too gloomy a view about the prospects".

At this point Mr. Bengough, president of the Trades and Labour Congress of Canada, butted in and said:

> "I think there are 530,000 out of work. The situation is serious".

To this the Minister of Finance replied:

> "I would not say the situation is serious. I would say it is unpleasant. There certainly is higher unemployment than we would like to see."

Whether the situation is serious or unpleasant depends entirely on where you are situated; whether you are at the gate of a factory looking in, or sitting in your living room with a glass with something to drink in it and a pipe and a book in your hand.

Mr. Abbott: I said exactly the same thing to Mr. Bengough. I said that for the man who is out of work it is always serious.

Mr. MacInnis: Well, the *Gazette*, as usual, did not print it all.

Mr. Abbott: That sometimes happens in these periodicals.

Mr. MacInnis: That is the situation. If these people who are unemployed do not draw attention to that situation nothing is going to be done for them. It is only to the extent that they holler, that we holler and everyone they can get in contact with can be made to holler that this government or any other government will take steps to relieve their distress.

Let me continue with what the Minister of Labour says. At page 1448 of *Hansard* he is reported to have said this:

> This leaves the problem of what is being done to assist those out of work, whether seasonally unemployed or otherwise. Actually, a great deal is already being done. The extended coverage of unemployment insurance during the last few years, plus the provision of supplementary unemployment insurance benefits during the first three and a half months of each year, has done much to help ease the burden of unemployment.

But we were doing all that three, four and five years ago. Unemployment insurance came into operation in 1941, and this is 1954. But at the moment we are dealing with a situation that has come about in 1954, and what we are asking is, what is being done to meet that situation? The minister went on:

> This year benefit payments will be even larger.

The benefits will be larger because there are more unemployed. I continue:

> This sum would not be offsetting income losses due to unemployment were it not for unemployment insurance. Many unemployed workers are also being assisted by family allowance payments and by old age pensions. In addition, the provincial and municipal governments are making social welfare payments which benefit those in need.

I never heard such quibbling with facts. The minister speaks of family allowances. Those people were receiving family allowances when they were employed, and the people who are employed today are receiving family allowances just the same as those who are unemployed. It was never intended that family allowances were to be put into effect to help the unemployed; they were put into effect because even with full time employment their incomes were not sufficient to give them a reasonable standard of living. How can it help them, or to what extent can it help them, when they are unemployed and have to live on either the unemployment insurance at $24 a week or nothing at all? The old age pension was not provided for people who are unemployed. They are unemployed, of course, because they are not employed in the sense that they are no longer able to work. Let us not try to throw sand in people's faces in regard to this problem. It is far too serious for that.

Then the minister goes on to say that the provincial and municipal governments are making social welfare payments which benefit those in need. I believe one of the reasons the problem is so serious is that during the period of good employment the federal government stopped assisting municipalities

with the employable unemployed. They are left on the hands of the municipalities and the provincial government.

I hold in my hand a letter which I received from the Vancouver presbytery of the United Church of Canada, dated November 27. It enclosed a resolution, and this is the prayer of that resolution:

> The Vancouver presbytery of United Church of Canada urges that appropriate steps be taken by federal and provincial governments to implement in principle the recommendations of the policy statement on social assistance adopted by the governors of Canadian Welfare Council in their meeting of December 13, 1952, that provision be made for the payment of social assistance to indigent employable unemployed persons.

This is one of the difficult problems of the municipalities. They just have not the means to meet this situation that has been aggravated tremendously by the increased number of unemployed.

I hold in my hand a news item which appeared in the Vancouver *Province* of February 5, ten days ago. It reads:

> Deputy police chief, Gordon Ambrose, today blamed unemployment—which is far worse than most people realize—for the recent minor wave of burglaries, safecracking and armed holdups.
>
> Chief Ambrose said that the people police are arresting for these crimes "are not newcomers". But criminal types unable to find employment are "hungry" and thus become more active.

I can tell this house that hunger is a very potent urge, and hungry people—and there are many of them today—are going to get the means to buy what they need even if they have to commit crimes in order to do so. As a matter of fact I was reading in a Montreal paper a few days ago that in that city people were committing crimes so they would be put in jail where they could get food and shelter.

I suggest to this government that they should have known this situation was coming, because the conditions which we are meeting now are as old as the industrial system itself. We have had to deal with it periodically for the last two hundred years. There is nothing new in it; there is nothing strange about it. But it appears that we have not learned how to deal with it. If the government were to be ready for this situation, I suggest they should have been preparing not now but ten months or a year ago. There are, however, a great many things the government could do to help the unemployed if they would only take the trouble to find out about them. They could be doing these things while they are getting ready a program of public works in case the investments which they have been telling us about do not materialize.

This situation of falling markets and increasing unemployment is not something that is confined to this country alone. It is taking place in almost all industrial countries, and it is sort of contagious. When it develops in one country it makes it difficult for that country to trade with other countries, and so unemployment goes from one country to another as smallpox might go.

I say it is the proper function of government at a time like this to do these things for the people which the people individually are not able to do for themselves. One of the things which the people individually are not able to do for themselves is to provide employment. That will have to be the function of the government, and while they are preparing work programs they should provide adequate maintenance. We should get busy and help out the municipalities and the provinces in providing reasonable standards of food, clothing and shelter for the unemployed until employment can be found. The longer we delay, the more trouble we are building up for ourselves. We ought to get that clear in our minds, and get to work at once.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I enjoyed very much the pleasant discourse of the hon. member for Vancouver-Kingsway (Mr. MacInnis). I concur in his realistic view that this is a problem of today and not one of the distant future. However, I find myself in the paradoxical position of also agreeing with the hon. member for Vancouver-Quadra (Mr. Green) in so far as I also consider this to be a problem covering a period of years, a seasonal problem, and that therefore a committee to consider the whole thing may be most desirable.

Coming now to the particular remarks of the right hon. Acting Prime Minister (Mr. Howe), I was pleased to hear that we had sold some wheat to Brazil for the first time in several months. It will certainly help the prairie farmers to a considerable degree. A loosening of the purse strings in connection with investment is a most desirable feature, instead of continual defence spending, although we probably cannot forgo the latter because we may need defence spending in the not too distant future. The construction of the St. Lawrence seaway is indicated to commence later in the year, but it will not assist us today.

There is one feature of this debate which I found very amusing. I refer to the fact that many of those who have spoken from time to time have complained that the newspapers were quite frequently at fault, that they were being misquoted, that things were not being said in the newspapers as they should be said. However, I noticed that

nearly everyone quoted from the newspapers at some length in order to indicate the justice of his particular remarks.

Coming to the problem itself, I would say that it is a three-way problem. It is an immediate seasonal problem; it is a long-range seasonal problem, and it is an in-season problem. Speaking to the first, the immediate seasonal problem, this calls for the immediate support of the subamendment we have before us at the present time. The long-range seasonal problem would call for the setting up of a committee along the lines proposed by the hon. member for Vancouver-Quadra in order to alleviate the situation at another time. The in-season problem is one that is usually of a calamitous type and therefore will give us a great deal of difficulty if our seasonal problem is not rectified immediately.

I appreciate the fact that the Minister of Labour gave us the statistics which had been compiled by the Department of Labour. I do not think we can blame the unemployment insurance commission or the national employment office for the unemployment that exists at the present time. It certainly is not of their doing. The men and women who are doing such an excellent job in his department are to be congratulated.

According to the figures quoted by the Acting Prime Minister there are over half a million unemployed. The Minister of Labour indicated that there are over 357,000 who worked less than 35 hours a week and 139,000 who have jobs but who did not work during the survey week. That gives us a total of approximately 496,000 who either had no work or worked less than 35 hours a week.

Using the figure that was quoted as the number of employables, which was 5,242,000, the ratio would appear to be 9·46 per cent of our eligible labour force which was wholly or partly unemployed. This is a most unfortunate situation. Comparatively speaking the 280,000 without jobs, who were seeking work, can be compared with the 190,000 who were mentioned a year ago as looking for employment. It is a most aggravated situation when we find an additional 50 per cent unemployed over what we had a year ago. I say that it is not seasonal when there is an increase of 50 per cent in the number of unemployed; it is definitely in-season.

As the Acting Prime Minister indicated, frictional unemployment might be a little less than 3 per cent. He was rather surprised at the figures given by the congress of labour, of from 3 to 5 per cent. I think he will agree when I say that the 3 per cent is possibly indicative of this particular time of the year, when seasonal employment happens to be at its lowest. The 5 per cent comes about when people find it very easy to get jobs, and they are more apt to leave their own jobs. A total of 150,000 then are out of work in Canada at all times. That would mean that the difference between 150,000 and 550,000, or about 400,000, are unemployed largely because of seasonal unemployment.

On checking the figures a little more closely we find that these may be grouped into three categorical divisions. There are those who are in a slump during the winter months; there are those whose slump is about over in January or February, and there are those who are unemployed during the summer months because of the seasonal period.

In the first group, those in connection with whom the seasonal slump is in full swing during this particular time, we find building construction with a 24·3 per cent variation; highway department work with a 60·6 per cent variation; meat, 17 per cent; logging, 60·3 per cent. The next group happens to be one that should be coming out of the slump, as its lowest point of seasonal employment is either in January or early February; I refer to motor vehicles, where the figure is 4·7 per cent. Then we have wood products, 11·3 per cent; pulp and paper, 9·9; distilled and malted liquors, 8·4 per cent.

In the next group employment should be at the absolute peak today, and I refer to the agricultural implement and textile industries. However, if you were to travel across the country I think you would find that the textile workers are practically out of business at this time. They are not seasonally unemployed. Because our wheat has not been moving, because the agricultural market has been rather stagnant in the past several months, agricultural employment has not been as high. These are not seasonal workers such as those mentioned earlier.

The cause of unemployment is twofold. It is either the fault of management, the fault of the workers or it is a combination of both. In connection with management it might be bad administration and planning. Possibly there are material shortages or delays in the arrival of the necessary material. It might be a case of bad management as regards machinery maintenance which leads to breakdowns through lack of replacements, or it might be a lack of storage facilities in businesses such as the lumber trade, where they have to store lumber and have a backlog of logs. It might also be an inadequate knowledge of marketing conditions, because certain departments do not look after these things

as they should. It might also be a misdirection of shipments such as we had listed in farming periodicals, where it is sometimes related a carload of grain is shipped to one port and then has to be sent off to another.

On the other hand, the workman may sometimes be equally wrong. I was rather surprised in this connection to hear the hon. member for Cape Breton South (Mr. Gillis) say it was wrong for an industry to shut down. I am wondering whether it is not just as wrong sometimes for labour to force the shutdown of a plant and thereby affect the whole economy of the country. Mind you, I do not say it is wrong, but I am wondering if the same code does not apply to labour as to management in that particular regard.

The effect of unemployment on business, whether it be caused by strikes or by management or anything else, is already clear. The businessman is affected in so far as he is afraid to invest more capital in his business. We often face this argument as to which group is right, and that was illustrated in a newspaper very recently when we had an argument between labour leaders and the government as to the actual figure regarding the number of unemployed.

Statements on this question are sometimes considered to be radical in nature, and I sometimes wonder whether the people who are trying to correct this labour situation should not stop and ask themselves this question. What would you do if you were affected? Suppose, for example, you came to the government and said you wanted help, and they said you had better get a job elsewhere, as there were no jobs in your locality. Just what would you do? A man comes along then and says: If you come into our union group we will look after your interests. Whether they are communist-led or not is immaterial. The important thing is that they have a leader. They have someone to lead them, someone who will make representation on their behalf to the government.

Now, Mr. Speaker, you can talk to some people but you cannot talk reasonably to a man with an empty stomach. He has a right to live. It has often been said that hungry people are very dangerous people, and that hungry people often start wars. It is the "have-nots" who want what the "haves" possess. I therefore submit to you, Mr. Speaker, that it is the responsibility of this government to see to it that we do not have this hungry element among us. We are just breeding a communistic group of people so long as we allow this condition to continue.

I contend it is the business of the government to regulate the economy of our country so that the absolute minimum number of people are deprived of the privilege of working. These people do not expect the government to find jobs for them, but they do expect the opportunity of finding jobs if they wish to apply for them. We must find the means of getting a job to them.

Labour claims that $24 or under per week is too little to live on. I think every hon. member in this house realizes that if a home owner buys one of these national housing homes we propose to build he is going to require practically that entire sum to meet payments in the form of rents, taxes, water and light. It is not sufficient to keep him alive. We have a reserve of $900 million or more in the unemployment insurance fund, and if we were to divide that among these people on the basis of a living wage it probably would not last for more than a year and a half.

What can we do, then? This problem which faces us at the present time is one to which we must find the answer; otherwise it is going to swallow us all up.

And what about the man who has not worked long enough for benefits? He has to live. You cannot tell him, Well, move along, bub. We will build you a soup kitchen and let you have some food. They do not want bread alone. They do not want a canopy of words put around them. They want enough to live on, and you have to give it to them. Perhaps I should not say "give it to them", for I do not believe people want anyone to give them anything. All they want is the means of obtaining it, unless this communistic idea is so instilled in them that they think of these things as theirs by right.

We also have the question of requiring the building industry to process its own raw materials, a sort of Canada-first policy. Here is another dangerous feature in their demands, for they want us to build industries and they want a guaranteed wage. This also is a part of their Canada-first policy; and yet if we told them we were going to bring in electric equipment from Japan or Germany or from somewhere else they again claim it should be Canada-first and the equipment should be built here in order to provide jobs.

The problem has to be solved in such a way that we can regulate employment, do away with unemployment and do our trading in such a way that we can get rid of our surpluses. I know the government will probably say: "You have put your finger upon the problem we are up against, young man." I am fully aware of that, and I am quite certain in my own mind that there is an answer, provided we are ready to look

around and find the answer as so many other countries must at the present time. We can have another war, but that would be a very hasty answer. It might be the quickest cure, but it is certainly not the one any hon. member in this house would advocate. Certainly I would be the last one to suggest it.

It is claimed we do not require foreign capital. I happened to discuss that matter with a group the other day, and they claimed we should not have foreign and United States capital coming into Canada. I am rather amazed that so many people should insist upon that, especially people who call themselves socialists, for we find on page 2 of the *Financial Times* of February 5 the following advertisement:

> Department of Mineral Resources, Province of Saskatchewan
> Public Notice
> Petroleum and Natural Gas Leases (receiving sealed bids).

Whom do they want to sell them to? Anyone who will buy them, including buyers from the United States. And now, Mr. Speaker, the deepening of the St. Lawrence waterway has been a long time in coming. More than twenty-odd years ago I gave a short address on this subject. The project is a practical reality, but it is not going to solve the unemployment problem facing us at the present moment. That is a problem we must solve now. The 100,000 homes which will be built over the coming year is not going to put 400,000 men back at work immediately. That will be a slow process. The building of sport fields and cultural institutions, schools and hospitals and all the other public facilities we require so badly in this country is also something for the future, but it is not the answer to the problem facing us today.

If we are going to have the small businessman continue in existence, if we are going to encourage capital to continue in this country, as is so earnestly desired, we have to solve this problem at the present time. The men and women we are discussing want work. They do not want anything else. They are interested only in solving the problem now, not at the next session of this house. I think if we are to be in the position that we consider we should be in, as men who call ourselves parliamentarians we should find the answer to that question.

I have just one or two words here in conclusion, Mr. Speaker. There is a real reason for unemployment. First it must be understood. From what I have heard various men say in this house from time to time, I am sure that private enterprise has solved the problem of production. As mute evidence of that fact we have a surplus of butter, of machinery, a stockpiling of textiles, salmon, canned meats, cheese and other products. The Minister of Fisheries (Mr. Sinclair) the other day suggested to us that the British Columbia fishermen solved their own problem to a degree by sending a trade mission to Britain to see whether or not they could buy some British goods and possibly, in the course of so doing, sell our Canadian canned salmon. They did an excellent job, as only British Columbians can. They went to Britain and bought fishing nets, trawlers and the various paraphernalia they need in the fishing industry, and they induced the Britishers, in turn, to take canned salmon. It was not a barter deal. However, it might almost be suggested that it developed as a barter deal.

I do not think it is the responsibility of the wheat growers of Saskatchewan, the fishermen of British Columbia or the fruit growers of any area, no matter which it might be, to go on a trading trip to any other nation in the world. That is what this government has been elected to do. We are supposed to find markets for these products, not to send small individual groups to do it. I respect the fishermen for what they did. I respect any group for trying to sell its own goods abroad. But every time they do that they are taking dollars and cents from their own group, money which rightfully belongs to the people in that particular area. The farmers, the ranchers, the lumbermen and the various industries that might be involved should not, in my opinion, be obliged to look after the selling of their own goods. It is a problem that should devolve on the government of this country.

The government should take action now for the alleviation of a situation that has grown into an unhappy one in this country. We therefore support the subamendment that was proposed by the hon. member for Cape Breton South.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I am not going to quote labour leaders and what they have found. I am not going to quote editorials and what they have reported. I am just going to speak of what I know. I know something about Fort William. I know what causes any unemployment that we have there. When the freeze-up comes, it certainly freezes certain sources of employment. Navigation ceases. Therefore those who are working on the freighters or on passenger boats and who have their homes in Fort William are obliged to seek other jobs. Elevator work becomes a little bit scarcer. Dredging is shut down. Some railway workers are laid off. Road work is scarcer. Sometimes pulp and paper workers are laid off. Certainly in connection with

contractors who are engaged in the construction of houses and outside work, there is some unemployment.

However, I have noticed that we in Fort William have some men who are engaged in seasonal work and who are never unemployed because they have initiative and, like some hon. members, they would not be out of work; if they became unemployed in one job, they would get another. I know that in Fort William we have some unemployment at the present time. But from the report I received on Friday from a young businessman who visited me, the unemployment situation there is not serious. In fact, according to his report employment is on the up trend. While Canadian Car laid off a considerable group of men a while ago, they have taken them back again. That is a sign in the other direction.

I have a friend who is a building inspector. He says the best source of employment is the building trades because there are so many industries connected with them. As the Minister of Labour (Mr. Gregg) has said, the construction of houses will be on the increase. Therefore employment from that source should be on the increase. I expect that in Fort William by the end of March there will be less unemployment; and by June I doubt that we shall have anybody unemployed there.

I appreciate the statement made by the Minister of Trade and Commerce. He did not mention Fort William, but I mention Port Arthur. We are very much alike. As far as we are concerned, it is seasonal unemployment. I should like to see any government on earth that can change the seasons and bring about all year round work. I have known of only one case where the sun was caused to stand still. That was in the case of Joshua. As long as we have lake Superior and the lakehead, we are going to have seasonal unemployment. Any government that can cure that situation is, in my opinion, certainly a sweet government. We shall continue to have seasonal unemployment. There are, however, certain men who, as I have said, when they lose one job and become unemployed, go and get another one. If they do not earn as big pay, they earn enough to keep the pot boiling.

I appreciate the work our trades and labour council in Fort William are doing. They are second to none in helping the men to get jobs.

Mr. H. O. White (Middlesex East): Mr. Speaker, I suppose there is no other problem in Canada that affects as many people as this question of unemployment. Because of the far-reaching consequences I felt that I should take part in this debate, because quite a large percentage of the people whom I have the honour to represent are working people in the London area.

The first indication we had of the approaching problem—and it was pointed out by our party quite some time ago—was the loss of the primary markets for agricultural products. We are now reaping some of the results of those lost markets; and, on top of that, we are piling up surpluses of many farm products. Just while I am mentioning that fact, may I say that I hold in my hand an editorial from tonight's Ottawa *Journal*. I am going to ask the house to bear with me while I read a couple of paragraphs from it. It is entitled "Skeletons of the Farm" and reads in part as follows:

> The Hamilton convention of the Ontario federation of labour, CIO-CCL, heard Mr. Douglas McEntee of the united automobile workers explain that a reduction in implement sales was due to farmers being unable to buy because of a 22 per cent drop in their own income in the last fifteen months. Thus there is evidence that labour leaders are taking a more realistic approach in examining the causes of unemployment.

Further on there is the following:

> In 1953 the average weekly earnings of Canadian workers in manufacturing rose by 4 per cent in real income, but the farmer in many cases had no income gain for the year and in several instances he had less.

That indicates pretty clearly why farm implement manufacturers are not able to sell their products, and why the employees are finding themselves idle. Another indication of the trend of events is the report of the Bank of Canada mentioned by the hon. member for Vancouver-Quadra, and I couple with that the annual statements of the chartered banks. I have examined them carefully. I think without exception they approach this problem cautiously, but they indicate that the loss of markets cannot help but have one result, a decrease in employment in Canada. Our banks are fairly conservative in their outlook, and I think they have soft-pedalled this question. Because of the danger that the impression might be created in the minds of many people that times are tougher than they actually are, they have approached the question with some caution. After all, markets are the keys to employment. We have lost markets and consequently we have lost the keys to employment.

There is another cause which I have mentioned before, inflation, which was aided and abetted through all the years from the beginning of the war until the last year or two. Inflation has resulted in our pricing ourselves

out of world markets, and consequently we have unemployment. Then there is the increasing danger of competition from Europe and Asia, particularly from Germany and Japan. There again they are able to out-produce and out-sell us, and that is one of the big problems that we as Canadians must face.

I come back again to the drop in purchasing power of those engaged in agriculture, which is now being felt not only with respect to agricultural implements but in all segments of our economy. Another thing that worries agriculture is the fact that while farmers are taking a 22 per cent cut in the prices of the things they sell, very little if any of that reduction is reflected in the prices the consumer pays. In fact the last report of the dominion bureau of statistics actually indicates that the cost of living has gone up. Certainly it is fractional, but the reduction in farm prices is not indicated in the cost of living.

According to the minister there are 524,000 people seeking employment. But that does not indicate how many firms are operating on short time, two, three or four days a week, or on shortened hours of work. It does not indicate the number of people who are out of jobs but do not go to the unemployment insurance offices and report for work. They search for work themselves and try to find jobs.

I had an experience along that line a week ago Saturday when I returned home. I was waiting on the street near the station for my family to pick me up with the car. An elderly gentleman came along and I passed the time of day with him. I said, "What are you doing?" He said, "I have just come from the unemployment insurance office, where I have been collecting my unemployment insurance." He said, "This is the first time in my life I have ever had to collect unemployment insurance. Never before when I was out of a job was I unable to go around and find another job. If the worst came to the worst I could always go out to the farming country and get a job, but they do not want men today. They are equipped with farm machinery, and they do not want transient help. They are not hiring anybody. Consequently I am walking the street looking for a job and collecting my unemployment insurance."

I think the Acting Prime Minister handed out rather cold comfort to the unemployed when he suggested that they go and find different jobs, in view of the fact that at the present time there are some 500,000 men who cannot find work.

Another rather disturbing angle is our trade position. We have an unfavourable trade balance after many good years. Actually what is happening is that we are employing people abroad to produce and do things that many of our Canadian people could do for themselves and do as well or better. But the goods that are produced by these people abroad are priced lower because of the lower cost of labour and the lower standards of living in these countries. Therefore we have become dependent on many foreign countries for things that we could produce ourselves.

I do not need to go over the list of such goods, but some of them are Canadian farm products that are being replaced by foreign goods. So far the government have evinced no desire whatever to change their trade, economic and fiscal policies to meet the changing conditions of the times.

The hon. member for Cape Breton South (Mr. Gillis) blamed unbridled capitalism for some of our troubles, but there are many people throughout the country who blame unbridled inflation for the difficulties in which we find ourselves. Prices have chased wages and wages have chased prices up and up into an unreal price world. As we look around this Canada of ours we see that there are thousands and thousands of things that can be done. Yet there seem to be so many dollars to do other things and so few dollars to do the things that could and should be done. So far the government has only indicated a fervent hope that things will get better. They are waiting for something to turn up.

Mr. Stewart (Winnipeg North): Mr. Speaker—

Mr. Speaker: Perhaps I should explain why I intend at this moment to alter the order of rotation. I should like to tell the hon. member for Winnipeg North that I was informed that it would be most convenient if the hon. member for Inverness-Richmond could be allowed to speak now. Considering that the hon. member for Fort William only spoke for a few minutes and that the hon. member for Inverness-Richmond is not going to speak for any more than 20 or 25 minutes, I think the hon. member for Winnipeg North will agree that it would be a nice gesture if he would allow the hon. member to proceed now. Then he may proceed.

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, in rising to take part in this debate on unemployment I am conscious of the concern any degree of unemployment causes hon. members in the house and the people of Canada generally. I am very happy to follow my good friend from Cape Breton South in this debate because his constituents,

like my own in Inverness-Richmond, are exposed in varying degrees to the current uncertainty in the coal industry. This uncertainty arises from a painful readjustment to the competition of fuel substitutes, and a program of mechanization which is expected to permit the largest producers of coal to compete more favourably in the future.

Without turning this debate on unemployment into a discussion of the coal industry itself, I might say in passing that the problems of the small coal operators are even more acute. For example, I have in my own constituency the town of Inverness, a coal town whose history has been one of uncertain development because the producers of coal have been unable to find access to coal markets, except in the depth of the winter. But while I am necessarily conscious of the problems of the coal industry, I would prefer to make a few comments on the general problem of unemployment as it exists in Canada as a whole.

Sir William Beveridge, who contributed so much to our understanding of this problem, made the comment that the greatest evil of unemployment is not physical but moral; not the want which it may bring, but the hatred and fear which it breeds. Unemployment is a great evil; but because of the contribution made by Sir William Beveridge and others we can conduct this discussion in an atmosphere entirely changed from that which prevailed in the thirties, and in periods earlier than that.

The prevailing opinion then was that there were certain natural and necessary forces within the economy which automatically created a momentum toward full employment of all resources. Any evidence of unemployment was simply taken as proof that the economy was not being allowed to operate freely. Fortunately that view is no longer respectable. Lord Keynes and his disciples created a revolution in economic thinking by proving the simple proposition, which the layman had long suspected to be true, that the economy, on its own, did not naturally gravitate toward full employment, and that at certain times it rested at a level lower than full employment. Because of these changes in the thinking of economists, we have at present certain established and recognized measures by which assistance can be given to the economy in its momentum toward full employment.

I refer particularly to public investment, stabilization of purchasing power, social security payments and, finally, the use of the budget and financial policy as methods of maintaining full employment. I am sure it was this line of thinking that prompted the Minister of Finance (Mr. Abbott) in his recent statement to say that the government was embarking upon a less restrictive policy of public works expenditures, and was attempting to make available greater funds for residential construction. Both of these are obviously anti-unemployment measures.

I belong personally to the school of thought which affirms that with our new understanding of the causes of depression there will not occur in Canada in the future the kind of depression that afflicted us in the thirties. Hon. members who read mystery stories know how valuable is the axiom "cherchez la femme" in discovering the culprit. Likewise the axiom "cherchez le placement" is a powerful ally to an economist who is interested in finding out how deep-seated the unemployment situation is. The movements of investment are a powerful ally, especially in the private sector of the economy, because investment is the most volatile segment in the volume of national output.

If there are evidences that private investment is decreasing, and if there is evidence that private investors are unwilling to invest further, then there are bound to be warning signals in the rest of the economy. In his summary for the year 1953 the economist for the Bank of Nova Scotia has this to say:

> As the year 1953 draws to a close it is abundantly clear that new records have again been set in Canadian employment, production and income. Industrial activity has been considerably greater than in 1952, construction has continued buoyant, and the country has been favoured with the third exceptional harvest in succession. Though the cash income of farmers will not be quite as large as in 1952, average weekly earnings of industrial workers have continued to rise.

He further states that the main impetus to economic activity in 1953 has come from increases in consumer spending and capital investment outlays. In fact the capital investment outlay for 1953 was in excess of $4 billion. At present in Canada there is no real evidence of weakening in the desire of Canadians to invest capital in the development of our natural resources.

While the figures on unemployment are disquieting, there are at the same time other reassuring evidences of stability. Private investment is one of these, and I mention it particularly because when any economist wishes to find out what is really happening, just as the good detective story reader will look for "la femme" in the story, the economist will look at investment. And at the present time, no Canadian has grounds to be concerned about the readiness of both Canadians and others to invest in the future of this country.

A great deal of importance is currently attached to public investment as a method of reducing employment, and of course the

chief form of public investment is public works. I think it should be pointed out that public works, as an effective anti-unemployment measure, is a mixed blessing. I say this because of the diminishing amount of manpower being used in all public works projects. It is not sufficient simply to approve of public works without at the same time knowing the manpower content of any public work under consideration.

May I give an example. The great engineering project now under way in Nova Scotia, the construction of the Canso causeway, while costing approximately $21 million, is making no substantial contribution to the unemployment problem in that area because of the low ratio of labour to capital equipment. At present about 150 to 200 persons are employed there.

So in considering the impact of public works as an anti-unemployment measure, one must take into account the only important aspect of it for that purpose, namely the volume of manpower required in any particular situation. Furthermore the completion of the Canso causeway will have a very detrimental effect on three communities of the area because of the displacement of personnel.

This example of the Canso causeway is a very apt one for my purposes because, first of all, it allows me to make my point about public works, namely the relationship between labour content and capital equipment. At the same time it provides me an opportunity to draw to the attention of this house the unemployment problem which will be created in three communities, namely Mulgrave, Port Hawkesbury and Point Tupper, when the personnel now employed in carrying traffic by ferry and rail across the strait of Canso will be permanently unemployed. I am sure the residents of the area, in the solution to their problem, will have the active and considered assistance of the government of Canada.

Mr. Castleden: How many people will be affected?

Mr. MacEachen: The estimate varies. It may be from 200 to 400 or less; it is hard to predict.

I simply want to make one final point, Mr. Speaker, in commenting upon some of the remarks that have been made this afternoon and this evening. The comment is that no longer can any country exclusively control the movements of its own economy. This is particularly true of Canada because of its vulnerability to changes in world markets. For that reason one of the chief ingredients of a full employment policy for Canada is an increasing willingness to take part in all forms of international economic co-operation.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I can quite honestly congratulate the hon. member for Inverness-Richmond (Mr. MacEachen) on a very distinguished maiden speech in this house. It certainly showed that before he came down here to speak he had studied his subject very carefully. I think we can also draw from his remarks the feeling that the government say to themselves, "We are all Keynesians now," but they are about 25 years too late. I do not think what J. M. Keynes suggested can at any time provide a solution to the perpetual problem of unemployment under the capitalist system.

I do not know whether or not the Conservatives recognized that this afternoon when they moved their amendment suggesting we should have a committee—I am not sure for what; to consider how the unemployed became so, or how we get unemployment—but I remember very vividly a few years ago when we in the C.C.F. were asking, at the time of rising prices, that there should be price control, and the then prime minister of Canada, Mr. Mackenzie King, offered to the house his solution, another parliamentary committee to consider how prices got where they were. I remember the then member for Cariboo, Mr. William Irvine, rising in this house and saying to the then prime minister, "If my right hon. friend saw a man drowning in a pool he would appoint a royal commission to find out how the devil the water got there"; and that was about the value of the committee, as it happened.

I do not think the Conservatives have any solution to the unemployment problem as it now exists. Obviously, from what we have heard from the government side, neither have they. They are both believers in the capitalist system of economics, and unemployment has been endemic under capitalism ever since we have known that system. They have never managed to find a solution except in time of war. I say there can be no solution under a capitalist system as long as the function of the system is to give the making of profit precedence over the rights of the great majority of the people.

One of the rights which I consider to be inalienable in any democratic society today is the right of a man to employment at reasonable rates of wages, and that fundamental human right is being denied in this country. When we bring unemployment to the attention of the government we get no answer, at least in the sense that the government has no solution to offer.

This afternoon the Minister of Labour gave an objective statement of the situation. He said that committees had been appointed, and he hoped we might get some valuable sug-

gestions. While the government is hoping, men are going without work and still more are becoming unemployed. While the government is hoping, rents are unpaid or home owners are going behind in their mortgages. We need something more than hope; we need something more than a desire to have suggestions come out of committees. We need some action, and it would be a pleasant thing indeed if a member of the government would get up in this house and tell us what they intended to do.

The Minister of Trade and Commerce for once departed from his usual Pollyanna attitude that all was for the best in the best of all best possible worlds. He said he was anxious, and he had every reason to show anxiety. He agreed tentatively that there were 524,000 applicants for jobs. Then hurriedly he went on to say that this number cannot be accepted as right. Well, what is right and what is not right? We are told by the Minister of Labour that there are 524,000 applicants for jobs, and then the Minister of Trade and Commerce begins to tear that figure down.

Let us take for instance the figure of 280,000 men without jobs, seeking work. Even if only 280,000 are seeking work the fact remains that there are 280,000 personal tragedies in Canada. Where a man is unemployed you have a home in which there is fear, in which there is worry; and as we saw during the thirties, when you have those anxieties in a home you have the possibility of a home breaking up. But there are far more than 280,000 unemployed. The figure is nearly double that mark.

Then the Acting Prime Minister said that the increase in unemployment is only 2 per cent of the working force. I have been troubled before with ministers who deal in percentages and who do not deal in figures. The increase may be only 2 per cent of the working force but, Mr. Speaker, translate that into numbers and the increase is 100,000; and 100,000 is something vastly more frightening than 2 per cent.

The Minister of Trade and Commerce did not seem to be unduly worried at the idea of a 2 per cent increase, but he should be worried at the idea of a 100,000 increase. Yet as he said, "we have not panicked." Not only has the government not panicked; it has not done anything. The government has no solution to this problem, and they tell us, like Mr. Asquith, well, let us wait and see. We will hope that something will turn up.

We have over on the other side of the house the greatest group of Micawbers that Canada has ever been afflicted with. They are always hoping for something to turn up. Then the Minister of Trade and Commerce went on to say that there is much similarity to 1950, when there were hundreds of thousands unemployed. When we asked the government what proposals they had to set before the country to alleviate the situation, there was no answer from any minister. Well, once again the government was extraordinarily lucky. At that time it was Stalin who took them out of the hole. In 1939 it was Adolf Hitler who solved the problem of unemployment for them.

Mr. Howe (Port Arthur): Something has happened to the predictions of my hon. friend each year for the last 15 years. They have not worked out as my hon. friend expected. Is that not so?

Mr. Stewart (Winnipeg North): Our predictions have worked out remarkably well. We have told the government they have no plans for unemployment, and it has been proved to be so.

Mr. Howe (Port Arthur): My hon. friend has been predicting that the government would meet disaster every year, and we have not had that.

Mr. Stewart (Winnipeg North): I think a very large number of Canadians are coming to believe that to have a Liberal government is a disaster, but you may as well make the best of it while you can.

The minister told us, as I said, that 1950 was different, and that had we adopted the ideas of the opposition we would have gone through an inflationary process. That might well have been so, but it was only avoided because of the advent of war. The fact remains, as the hon. member for Vancouver-Kingsway pointed out today, and as the workers of Canada are realizing more and more, that under the capitalist system the more wealth there is produced, the more insecurity there is for all concerned. That is a fat-headed system if there ever was one.

We have to get away from the concept that unemployment is simply a mass of figures or certain percentages. We have to realize that every case of unemployment, as I said earlier, is a personal tragedy. Unemployment is a waste of human resources, an unforgivable waste of the capital of the nation. I can well imagine what any businessman, what any chamber of commerce or board of trade would say if machinery was seen lying idle and rusty. They would object and expostulate at the waste of capital, and rightly so. But they seem to forget that when workers are not working and producing they also are rusting, they also are idle. The capital of the worker is his ability and his time, and when he sees those things deteriorating or disappearing in front of his eyes he loses that which is of vital importance to him.

Yet when the workers in the farm implement industry appeared before the cabinet the other day and pointed out how acute their problem was they were told in part that they had priced themselves out of the market —a point which I shall deal with later—or, on the other hand, that they ought to move on to other areas where there was work.

The fact remains that today a worker who has been stationed in an area for some time with his wife and family in all probability has an equity in a home. He has established his family life in that area, and now he is being asked to break it up, to move to some other area with no guarantee that he will get what he paid for his house or even part of it, and with no guarantee at all that there will be housing available in the area to which he may go. Perhaps he and the rest of his family will have to live apart for many months. That is not an answer to the problem.

The most important thing about the brief presented by the steel workers and the united automobile workers on behalf of those engaged in the farm implement industry was the realization that labour in the city and the worker on the farm are interdependent. The more the farmer gets in income the more he is able to buy of that which the city worker produces. In reverse it is exactly the same. The higher wages the city worker gets the more he is going to buy from the farmer. The city worker and the farm worker are completely interdependent despite all the ideas of those who try to drive a wedge between the two, to split them up and keep them separate. Their fundamental interests are the same, yet the government has no answer except to tell the city worker that wages are too high and he has priced himself out of the market.

What are the facts? They were given in the brief submitted by the workers in the farm implement industry. In 1946 there were 51 plants in the farm implement industry; in 1951 there were 81 plants. In 1946 there were 11,548 wage earners; in 1951 there were 14,078. There had been an increase of 22 per cent in the number of wage earners. In 1946 the wages paid amounted to $20,038,000; in 1951 the wages paid amounted to $41,490,000, an increase of 107 per cent.

The gross value of production in that industry in 1946 was $63,239,000; in 1951 the gross value of production had risen to $171,172,000, an increase of 170 per cent. Or to put it another way, in 1946 the average worker earned $1,735 and produced $5,476 worth of goods whereas in 1951 he earned an average of $2,947 and produced $12,159 worth of goods.

I would say that in the face of such figures those who maintain that the workers are pricing themselves out of jobs do not know the facts of the situation. Earlier in the debate the minister said that those industries in which there was the greatest proportionate increase in wages were the ones which were affected most. I do not think that applies in this industry. It is not without significance to note that the profits of this industry increased by 224 per cent between 1946 and 1951.

The workers in that industry know very well that they are interdependent with the farmer. They know very well that if the farmers are well off they are going to have employment. They know that if the farmers are up against it, then the workers in the city will be up against it. They pointed out in this brief that between 1950 and 1951 the net income of farmers fell by 11 per cent or $240 million. When you compare the price index of agricultural products of July, 1951, and August, 1953, you find that it fell from 308 to 240, or 22 per cent.

All this brings home once again the fact that if the primary producers in this country are beginning to find the economic going rough, then the rest of us are going to suffer. In no small measure prosperity in this country depends upon the well-being of our primary producers. What then can we do to help them in such a way that it will reflect favourably on the employment figures of this country?

I have a suggestion to offer. We have in this country one of the greatest surpluses of wheat ever known. We have in the world two-thirds of the population going to bed hungry. We have suggested on more than one occasion that 200 million bushels of wheat should be given to those who need food today and cannot get it. From the selfish point of view it would pay us hand over fist; from the humanitarian point of view it would do more to win the cold war than anything else I can think of.

I may be asked where the money is going to come from. The government already has the money. There is a fund—I will not call it a slush fund; it is not that—a very tidy little hidden reserve tucked away in the Department of National Defence amounting to some $300 million which is still unexpended. In the economic cold war there would be no greater protection for Canada than to use that money to buy wheat to send to those who need food. It would be a good thing from every point of view. It would put purchasing power into the hands of our farmers, and that purchasing power in turn would be reflected in the industrial economy of this country.

Proposed Committee on Unemployment

It is an idea which I suggest to the government. It is one which I commend to the government. I am perfectly certain that they will not act upon any idea which comes from this side, but I think it is one thing which would help to restore what the Acting Prime Minister called an economic atmosphere conducive to a high level of employment. The minister speaks about it, but I have yet to see the government doing anything about it.

Mr. B. R. Leboe (Cariboo): Mr. Speaker, as one who spent 20 years working in industry, and who for some 15 years has had men working for me, I intend tonight to touch on a different phase of the unemployment situation. I should like to follow along the lines adopted tonight by the hon. member for Edmonton East (Mr. Holowach). What I would like to say tonight has to do with management-labour relations.

I am not concerned at the moment with the figures in respect to unemployment. These statistics mean very little to us unless we are thoroughly familiar with all the matters connected with them. What I am concerned with today is the relationship that exists between management and labour. I do not believe either management or labour are justified in all the things they do. The employer is as dependent upon labour as labour is dependent on the employer. And, as the hon. member for Edmonton East said, we must perpetuate that marriage, and we must encourage the attitude of partnership.

In connection with the unemployment situation today, and in past years, I believe it will be found that much of it has resulted because of the wedge which has been driven between management and labour. That is one of the greatest causes for alarm in any country; and the lack of proper relationship between those who are to perform the work and those who are outlining the work to be performed must always constitute a serious problem to any country.

In that regard I would like to touch upon the problem of strikes, and in this matter I can speak with some knowledge, for we just went through a 101-day strike in the Prince George area. During that strike we found children going to school without butter or jam or anything else between their slices of bread, and other children at the schools had to share with the children of those who were unfortunate enough to be caught in that strike.

A strike does not only affect the strikers, but also other people who are connected with the particular industry involved, and who perhaps themselves were not in favour of the strike. That was the case at Prince George. Prior to the strike we had three trains per day hauling lumber out of that town, but after the strike had been on for some little time these trains were entirely cut off. The railroad men depending on the lumber industry suffered because of the relationship that existed between management and labour at Prince George.

In any investigation the government might conduct into this matter I hope that is one of the phases of our industrial life which will be investigated at the same time, because harmonious relationships between management and labour will aid in any development of our natural resources and in the construction of irrigation and power projects so badly needed in this country.

There is one particular aspect we should all remember, and that is that any worker who works in a plant, regardless of its size and monetary value, is making a living out of the fixed assets that are there. The operator naturally expects to operate at a profit; but we must not forget, as workers, that we have all this equipment in our hands with which to make our living. I recall that when I was employed in the sawmill industry I would often look at the machines there and reflect that I had nothing to do with the actual investment, but that I certainly had a chance to produce and make a living with the machines which were provided.

Management is dependent on labour and labour is dependent on management. If they cannot get along together we cannot solve our production problems. Once we develop harmonious relations between management and labour, and I say this sincerely, I do not think we need to fear communism in this country. Those people who would sow distrust and hatred and drive a wedge between management and labour are the ones who are going to be our undoing in the long run if this situation is allowed to continue. We must make every effort to bring management and labour closer together.

On motion of Mr. Leboe the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall continue this debate, and if it is concluded we shall take up the amendments to the Salaries Act; amendments to the Members of Parliament Retiring Allowances Act; and the resolution with respect to the Export Credits Insurance Act.

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

HOUSE OF COMMONS

Tuesday, February 16, 1954

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, February 12, 1954

Sir:

I have the honour to inform you that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber on Tuesday, the 16th February, at 9.45 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)

PRIVILEGE

MR. FULTON—INQUIRY AS TO COMPLETENESS OF RETURN

Mr. E. D. Fulton (Kamloops): Mr. Speaker, on a question of privilege, I have to bring to your attention and to the attention of the house a matter concerning the completeness of a return which was ordered by this house on February 1. On that date the house adopted a motion of mine as follows:

For a copy of all letters, telegrams, memoranda or telephone calls, etc., exchanged between the minister or the Department of Fisheries and any person or organization outside the dominion government service, since December 5, 1952, concerning the installation of fish screens on rivers and streams in the Nicola valley or elsewhere in British Columbia.

This return was tabled yesterday but apparently there is an omission from it, in that not all the correspondence has been produced. I have here a clipping from the Kamloops paper dated January 20, which was some ten days before the return was ordered, which indicates that the Minister of Fisheries (Mr. Sinclair) had written a letter on this matter to Mr. Kenneth W. Houghton, living in my constituency. I may say that Mr. Houghton was the defeated Liberal candidate in the last general election. That letter is not included in the return and I would be grateful if you would have a further order of the house issued to the department to make certain that all correspondence relevant to this matter is produced.

Hon. James Sinclair (Minister of Fisheries): It is not my intention, nor would it be my intention, to include my personal correspondence in an official return.

Mr. Speaker: The hon. member will understand that, an order having been issued by the house, I have no power to change the order that was made nor to give an order to the house myself. The order was made and the return was produced. The hon. member is perfectly right in raising the question at this time because in his view the return is not complete. However, he has the explanation from the minister. He may not agree with it, but I imagine that this is where the matter should rest.

Mr. Fulton: It will rest there for the time being—

Some hon. Members: Order.

Mr. Fulton: —but I should like it to be perfectly clear that the minister has stated that that was personal correspondence.

An hon. Member: He said that.

PUBLIC SERVICE

INTRODUCTION OF FIVE-DAY 40-HOUR WEEK IN VARIOUS DEPARTMENTS

Hon. Douglas Abbott (Minister of Finance): I should like to make a statement with respect to the introduction of the five-day 40-hour week. I announced on December 8 last that the government had decided that the policy of readjusting the working week of the operating staffs in the post office, customs and various other operating branches of the public service to the five-day 40-hour week would be put into effect on April 1 next. This, of course, was to be done where the five-day 40-hour week was the prevailing practice in the locality.

As I mentioned a few days ago in the house, the staffs of the civil service commission and the treasury board have been examining available statistics which show the extent to which the five-day 40-hour week is in effect in business and industry throughout the country. The civil service commission has made a report based on these figures and the treasury board has approved its recommendations that the five-day 40-hour week be put into effect in the locations listed below for operating employees. In these locations

the five-day 40-hour week is also approved for clerical employees. As local conditions change and the five-day week becomes the common practice in additional centres, it will, of course, be extended to civil servants in these localities and further announcements will be made.

I should point out to you that, although the principle followed has been to conform to the local practice with respect to hours of work, some exceptions have been made for the sake of administrative convenience and over-all efficiency and it has been decided to place the operating employees on the five-day 40-hour week wherever clerical employees are on the five-day week and vice versa.

I would like to draw to your attention, also, a further principle underlying the decision to extend the five-day 40-hour week to coincide with local practice. It has always been understood, and the civil service commission's recommendations bear out, that even where the five-day 40-hour week is a common local practice, it does not apply in certain types of employment, for example:

Hospitals, convalescent institutions, health centres and nursing stations; establishments and services maintained by departments to furnish living accommodation and/or to provide messing facilities for civil servants, military personnel, detainees or transient guests; firefighting and fire protection services; services used in the operation and maintenance of penitentiaries and the guarding of persons in detention; security and watchman services; the operating services on farms, fish hatcheries, national parks and historic sites; lightkeeping services; heating staffs.

The five-day 40-hour week, therefore, cannot be put into effect for these civil service classes. The places listed come to some 180-odd, and I assume the house will give consent that they should be printed without being read.

Mr. Speaker: Is it agreed this list be printed without being read?

Some hon. Members: Agreed.

Mr. Abbott: The list is as follows:

LOCATIONS

Newfoundland

Bell Island (Wabana)
Corner Brook
Gander
Grand Falls
St. John's

Nova Scotia

Glace Bay
Halifax-Dartmouth
Inverness
New Glasgow
New Waterford
North Sydney
Pictou
Springhill
Stellarton
Sydney Mines
Sydney-Point Edward
Trenton
Truro

Prince Edward Island

Charlottetown
Summerside

New Brunswick

Bathurst
Campbellton
Chatham
Edmundston
Fredericton
Moncton
Newcastle
Sackville
Saint John-Lancaster
St. Stephen
Woodstock

Quebec

Acton Vale
Arvida
Asbestos
Beauharnois
Buckingham
Chandler
Chicoutimi
Coaticook
Drummondville
East Angus
Farnham
Granby
Hull
Joliette
Lachute
Lacolle
La Tuque
Levis-Lauzon
Longueuil
Louiseville
Magog
Montreal
New Richmond
Port Alfred
Quebec City
Richmond
Riviere du Loup
Shawinigan Falls
Sherbrooke
Sorel
St. Hyacinthe
St. Jean
St. Jerome
St. Joseph d'Alma
Ste. Therese
Thetford Mines
Trois Rivieres-Cap de la Madeleine
Valleyfield
Victoriaville

Ontario

Arnprior
Barrie
Belleville
Bowmanville
Brampton
Brantford
Brockville
Burlington
Carleton Place
Chatham
Cobourg
Collingwood
Cornwall
Dunnville
Fort Erie
Fort Frances
Fort William
Galt-Preston
Gananoque
Goderich
Guelph
Hamilton
Hawkesbury
Ingersoll
Kapuskasing
Kenora
Kingston
Kitchener
Leamington
Lindsay
Listowel
London
Midland
Napanee
Newmarket
Niagara Falls
North Bay
Oakville
Orillia
Oshawa
Ottawa
Owen Sound
Parry Sound
Pembroke
Perth
Peterborough
Picton
Port Arthur
Port Colborne
Port Hope
Port Weller
Prescott
Renfrew
Sarnia
Sault Ste. Marie
Simcoe
Smiths Falls
St. Catharines-Welland
St. Thomas
Stratford
Sturgeon Falls
Sudbury
Thorold
Tillsonburg
Toronto
Trenton
Walkerton
Wallaceburg
Waterloo
Weston
Whitby
Windsor
Woodstock

Manitoba

Brandon
Dauphin
Selkirk
Winnipeg-St. Boniface

Saskatchewan

Estevan
Prince Albert
Regina
Saskatoon

Alberta

Blairmore	Edmonton
Calgary	Edson
Drumheller	Lethbridge

British Columbia

Chilliwack	Penticton
Courtenay	Port Alberni
Cranbrook	Powell River
Duncan	Prince George
Kamloops	Prince Rupert
Kelowna	Princeton
Kimberley	Revelstoke
Mission City	Trail-Rossland
Nanaimo	Vancouver
Nelson	Vernon
New Westminster	Victoria.
Ocean Falls	

[*Later:*]

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Finance (Mr. Abbott) arising out of his statement as to the application to 100 communities of the five-day 40-hour week.

Mr. Abbott: About 180 communities.

Mr. Diefenbaker: All right; about 180 communities. In the case of areas in which the prevailing practice is, generally speaking, the five-day 40-hour week and which have not been included within the purview of the table that was placed before the house, will the minister say how frequently it will be reviewed and what evidence would be required in order to have added as an addendum an area which is not now included in the present list?

Mr. Abbott: My understanding is that the civil service commission are making a continuous inquiry. It would only be hearsay for me to tell my hon. friend what evidence they accept as to whether or not the 40-hour week is the prevailing practice. I assume they survey existing industries, offices, et cetera. My information is that the policy is that where more than 50 per cent of the industries or office workers are on the five-day 40-hour week, they then certify that area as being one in which it is the prevailing practice. The same practice would apply with respect to the civil service.

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Finance, supplementary to the one asked by the hon. member for Prince Albert (Mr. Diefenbaker). Must the government always follow in this matter? Could the government not lead the way once in a while?

Some hon. Members: Oh, oh.

Inquiries of the Ministry

REPORTS AND PAPERS

PROCEDURE TO BE FOLLOWED IN TABLING RETURNS

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, as required by law, I am tabling the annual report to parliament of the civil service commission regarding the positions excluded from the operation of the Civil Service Act during the year 1953.

I am also tabling a parliamentary return in regard to cost plus contracts.

Mr. Lennard: Whose return? Who asked for it?

[*Later:*]

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Secretary of State. I noticed when he tabled a return a few moments ago that he did not follow the usual practice and say who had asked for the return. It is the usual procedure in tabling returns not only to inform hon. members of the subject matter, but also to give the name of the hon. member who asked for it. I would suggest that the usual practice be followed in this matter.

Mr. Pickersgill: Mr. Speaker, I understood these returns were orders of the house and I did not realize it was the duty of a minister to go behind an order of the house and give the name of the hon. member who had moved for the return; but if it is the general wish that that be done I shall certainly be glad to comply.

WATER POLLUTION

NORTH SASKATCHEWAN RIVER—INQUIRY AS TO ACTION BY FEDERAL GOVERNMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Is he prepared to give a statement setting forth the degree of success that has been achieved as the result of the co-operation between his officials and the health officials of the government of Alberta in connection with the pollution of the North Saskatchewan river?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, as the hon. member has just noted, the matter he brings to my attention is receiving the consideration of the federal government in co-operation with the responsible government under the constitution in the province of Alberta. I may say, however, that our own laboratory in Ottawa and the laboratories of the department of health in Edmonton, as well as the laboratories of the industries concerned, are all

participating in the current investigation with regard to the pollution of the North Saskatchewan river.

Samples are being taken regularly from 14 river points extending from above Edmonton through to The Pas in Manitoba. The industrial effluents as they flow into the river are also being analysed to detect the substances or combination of substances which are causing the objectionable taste and odour. This work is being headed up in Edmonton by a chemist from the Department of National Health and Welfare assisted by another chemist from the same department and two of our engineers, also from the department. In addition to this technical staff the chiefs of the public health engineering division and the occupational health engineering division are still in Edmonton and will remain there until their services are no longer required by the proper authorities in Alberta.

The results of the investigation by our officers, however, to date still leave a doubt as to the real underlying source of the nuisance. This is due to the extremely complex nature of the discharges and to the very real possibility of new compounds being formed after the mixture of the effluents in the river.

While this is going on, the industries themselves are doing everything they can to cooperate with the provincial and other authorities in this particular matter.

I might add that Dr. C. J. Mackenzie, latterly head of the research council in Canada, who has had some experience in these matters, happens to be in the west at the present time, and his services in a consultative capacity are also being enlisted in order to see if he can in some way give assistance.

Mr. Diefenbaker: Has the department as yet made an analysis of the water in the city of Prince Albert, and if so, what does that analysis reveal?

Mr. Martin: We had an analysis of the water from the city of Prince Albert at least two weeks ago, but my hon. friend would not expect me to give a technical answer. I can say, however, that the odour from the water is not what one normally would expect or hope for.

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, may I ask a supplementary question? Has it been determined which plant in Edmonton is responsible for the pollution, because I have word today that one plant in particular is responsible?

Mr. Martin: I can only say what I said a moment ago, that that has not been determined.

[Mr. Martin.]

FEDERAL PURCHASES OF CHEMICALS FROM EDMONTON COMPANIES

On the orders of the day:

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, may I ask the Acting Prime Minister a question? Is the federal government purchasing chemicals for jet fuel, or chemicals for any purpose, from any company in Edmonton, Alberta? If so, will the minister find out whether such government purchases are being made from any company which may be polluting the North Saskatchewan river?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, I can report only for the department for which I am responsible, namely the Department of Defence Production. The answer to the hon. member's question is that we buy jet fuel but we do not buy any chemicals from the plants in question. In other words, fuels are bought as a complete store or product. Regarding chemicals for any other purpose, the general purchasing division of my department has not bought any in the Edmonton area.

NATURAL GAS

PROPOSED PIPE LINE TO SERVE TORONTO AREA

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I would like to direct a question to the Acting Prime Minister relative to an advertisement which appeared in today's issue of the Toronto *Globe and Mail* and which was inserted by the Consumers' Gas Company. In view of the fact that Toronto cannot be served with natural gas from Alberta in less than three years, contrasted with service from—

Mr. Speaker: Order. The hon. member will kindly put his question.

Mr. Nickle: This advertisement states—

Mr. Speaker: Order. Will the hon. member put his question?

Mr. Nickle: Will the minister advise us of his government's views on the Niagara gas transmission project, and how soon the Niagara bill may be considered by parliament?

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, the government has no views on the subject. As far as the bill by the applicant is concerned, it is now before parliament going through the normal parliamentary procedure. I have heard nothing about it since it was introduced in the other place. However, I presume it will come here in due course, and I suggest that my hon. friend can do his own digging as to when that will be.

HEALTH INSURANCE

INQUIRY AS TO LEGISLATION THIS SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Has the minister received a copy of a resolution from the Retired Citizens' Association of his own city of Windsor respectfully urging the Hon. Paul Martin to speak out in parliament in favour of a national health insurance plan? If so, does the minister intend to implement this resolution at an early date?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I am sure the citizens of Windsor would be the first to tell the hon. gentleman that there is no one who speaks out more clearly than I on this particular matter.

Mr. Knowles: That is not the way the resolution reads.

EXTERNAL AFFAIRS

IGOR GOUZENKO—RELEASE OF TESTIMONY BEFORE UNITED STATES REPRESENTATIVES

On the orders of the day:

Mr. Ambrose Holowach (Edmonton East): Mr. Speaker, before the orders of the day are called may I ask a question of the parliamentary assistant to the Secretary of State for External Affairs, in the minister's absence, notice of which I gave last Friday together with a clipping, headed "U.S. Shows No Desire to Free Igor Evidence", which was taken from the Toronto *Globe and Mail* dated February 9. My question is this. Owing to the considerable publicity which has been given as to the release of the Gouzenko evidence, will the parliamentary assistant make a statement to the house with respect to all of the testimony given the United States subcommittee by Igor Gouzenko several weeks ago?

Mr. Roch Pinard (Parliamentary Assistant to the Secretary of State for External Affairs): Mr. Speaker, I wish to thank my hon. friend for having informed me of the nature of his question.

As hon. members will recall from previous statements made by the Secretary of State for External Affairs (Mr. Pearson) and the Minister of Justice (Mr. Garson), the Canadian government, following a request from the United States government, informed that government that it was prepared to make arrangements for a meeting at which Mr. Gouzenko could be interviewed by representatives of the United States government. This offer was subsequently accepted. In accordance with these arrangements a meeting was held on January 4, 1954, at which representatives of the United States government interviewed Mr. Gouzenko. The United States government was represented by the United States ambassador to Canada, Senator William E. Jenner, Senator Pat McCarran and Mr. J. G. Sourwine. I should like to emphasize that Mr. Gouzenko was interviewed by representatives of the United States government and not by a committee of the United States Senate.

After the meeting the Canadian authorities examined the transcript of the proceedings in order to determine whether there was any reference either in the questions or in the answers, publication of which in this context might jeopardize Canadian security investigations or might prejudice unfairly the reputation of individuals or organizations in Canada or might be open to question on grounds of international propriety, as relating primarily to the interests of a friendly third country. With the exception of a few words in the transcript—in fact, there were about two or three sentences comprising about 30 or 35 words—which fell within one or other of these categories, the Canadian government saw no objection from its point of view to making the transcript public if the United States government so wished. The Canadian government did not, however, consider that it would be appropriate to make the transcript public unless the United States government requested that this action be taken, since the inquiry related directly to names of persons in the United States or to the internal security of the United States.

The Canadian government therefore informed the United States government in the latter part of January that it was prepared to make public the transcript with or without any further deletions, if the United States government wished this done. Up to the present time no further word has been received from the United States government on this question.

THE CONSTITUTION

INQUIRY AS TO RECONVENING OF DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, yesterday in reply to a question asked of me by the hon. member for Kamloops (Mr. Fulton), I said that the government was not considering reconvening at an early date the federal-provincial conference on constitutional amendment which last met, not in September, 1950, as the hon. member for Kamloops stated, but in December of 1950.

The hon. member then asked me a supplementary question which it would have been misleading for me to answer either with "yes" or "no". In this supplementary question he ignored the fact that the Canadian constitution can already be amended in Canada in purely provincial matters and in purely federal matters. There are, however, no means by which legislative authorities responsible to the people of Canada can make such amendments as may from time to time be required in the third area of the Canadian constitution, namely that part of it which is of concern to both provincial and federal authorities. This, therefore, I take it, is the point to which the hon. member's question referred. On this point the position of the government was stated in a speech delivered in Vancouver on July 9, 1953, by the Prime Minister (Mr. St. Laurent) in the following words:

> My third subject is the Canadian constitution itself. Because of our action after the last election, the parliament of Canada now has the right to amend the constitution of Canada, by itself, in all matters which are exclusively of federal concern. But Canada today is the only important nation which does not have the power to amend its constitution in all respects. We Liberals believe that there should be a method of amending the constitution in all respects here at home, whenever amendments are desired. But such a method must be worked out in co-operation with the provincial governments. I hope the day will soon come when the authorized spokesmen of all the provinces will be able to agree on a method of amending the constitution here in Canada which will give full protection to provincial autonomy, because I do not believe any rights given to the provinces by the constitution can or should be taken from them without the consent of the appropriate provincial authorities.
>
> And it is the policy of the Liberal party, in working out a scheme for amending the constitution here at home, to make sure the utmost legal protection is given to our sacred constitutional rights with respect to education and the use of the English and French languages.

To this statement I have nothing to add at the present time.

Mr. E. D. Fulton (Kamloops): With reference to his answer, may I ask the Minister of Justice whether, since the conference last met in December of 1950, there have been any indications from the provincial governments or other sources that it would not be possible to arrive at a common agreement as to the method of amending the constitution in those fields to which he has referred?

Mr. Garson: Mr. Speaker, I would have preferred it if my hon. friend's question had been a little bit differently worded, in which case I would answer that since that time, to the best of my knowledge, no requests have been made by any of the provincial authorities for a reconvening of the conference in question. That does not answer my hon. friend in the precise terms in which he asks his question but I think it conveys the information that he wants.

SUPPLY

UNEMPLOYMENT—MOTION FOR EXAMINATION BY COMMITTEE ON INDUSTRIAL RELATIONS

The house resumed, from Monday, February 15, consideration of the motion of Mr. Abbott for committee of supply, and the amendment thereto of Mr. Green, and the amendment to the amendment of Mr. Gillis.

Mr. B. R. Leboe (Cariboo): Mr. Speaker, you will recall that last evening I was discussing certain aspects of the unemployment situation, particularly management relations as they affect unemployment. At that time I mentioned that the purpose of plants and plant equipment is not only for management or operators to make money and make a profit but also so that people working in the particular industry can make a living.

Before I proceed with the next part of my address, I should like to make one thing perfectly clear. As a member of parliament I consider it my duty to represent all groups and no particular group to the disadvantage of some other group within an area, a province or the Dominion of Canada. I will admit that in doing so it becomes a little difficult at times to consider matters from the viewpoint of how they concern each and every individual. However, that is my stand, and this question must be dealt with fairly and squarely as it relates to everybody, whether they be workers in an industry, whether they be associated with it in some way or whether they be the managers.

As employment increases production increases, and people in the community all become better off provided there is distribution of the goods that are produced. It seems to me that so far we in Canada have not solved the problem of the distribution of the goods we produce. I hope to deal with that matter a little later, but in passing let me say that we should continue producing even if in the long run it means assisting those who are not as fortunate as ourselves and giving of our substance to those who are in need. We cannot blame workers for continually clamouring for higher wages and better conditions. The only way they have by which to increase their purchasing power is to ask for higher wages. Unfortunately, in looking back over the years and considering the fights that have been carried on for increased wages and salaries and the increases

obtained, we find that in spite of such increases purchasing power is almost exactly where it was a good number of years ago.

I can well recall that when people were getting 40 cents an hour they could buy butter for 17 or 18 cents a pound. Today we find that butter costs three times as much and that the average wage is three times as much or a little better. Therefore we have not come very far in that respect. But we find that labour, in its attempt to increase its purchasing power and its standard of living, is continually asking for higher wages, and so it must under our present financial and economic system. It is the only way in which purchasing power is brought into the hands of consumers.

It is very important that labour should have and strive toward good leadership of its unions. In that respect I should like to refer to a letter in the Prince George *Citizen* of February 8 which reads as follows:

> While we are out hunting for subversive literature, let us not forget the subversion of the far right. Anyone opposed to unionism as a means of bringing the voice of labour to bear upon the problems of management is subversive or fascist. To say down with unionism is equal to saying down with democracy. Constructive criticism of the union's methods of achieving their desired ends is democratic and desirable. Criticism aimed at permanently destroying unionism is fascist and unhealthy.

That brings me back again to the point with which I started my speech, management-labour relations. We find that a great deal of the trouble leading to unemployment stems from labour-management relations which are not conducive to good employment. I think management can play an effective role in bringing labour and management together. Where there are unions I think management should assist and encourage those working in the plants in the obtaining of good leadership. In my opinion much can be done in that regard. In many parts of the country there is a need from time to time for recreational facilities and other projects which could be undertaken jointly by management and labour for the benefit of all concerned. If we had more vision concerning such matters and put forth greater efforts towards getting something done in this regard I think we would find a higher level of employment and increased production, and therefore a higher standard of living for all.

Many times both sides, management and labour, fail to present a true picture of their problems. I believe that heads of labour unions and those in management positions could well look into this matter from the point of view of getting people to present facts and not dodge issues. We find that in many cases union papers, the organs of organized labour, are blasting management, and management through the press is blasting labour and labour unions. In my view a great deal can be accomplished by union and management representatives sitting around a table and talking things over on a sound and sensible basis. I think that our efforts as members of parliament and the efforts of the government should be directed toward bringing about a realization of this responsibility.

Personally, I am opposed to the professional bargainer. I think it is wrong in principle, because the very existence of the professional bargainer depends on the animosity between the employer and the employee. I will agree that expert advice is desirable. I think we should have expert advice, but I believe it is wrong in principle for people to set themselves up in business as professional bargainers, because their livelihood depends on the animosity between the employer and employee. As soon as good will is created between the employer and the employee the professional bargainer is out of a job.

I feel that we would be better off and have a higher level of employment if bargaining were conducted on a local level as much as possible. I do not say that is always possible, but I think it is most desirable wherever it is possible. We would thereby avoid long lay-offs and unemployment due to strikes. As I said before, that is a very unhealthy situation. I do not think there ever was a strike in which labour was not caught in the squeeze. Labour is bound to be caught in the squeeze either way, whether they strike or whether they do not. The only way to avoid strikes is to get better relationships between employers and employees. I think we, as a government, could do a lot in that regard, as I shall mention a little later.

The other day we read a slogan which said, "Young Canada has a right to a job." I agree with that. I agree also that if young Canada has a right to a job, that means just what it says. I disagree heartily with the idea that people may not be allowed to work if they desire to work. If we are going to adopt the position that young Canada has a right to a job, then I think we must stay with it all the way down the line and not bar people from working if they so desire. During a strike we often find that people are barred from working, and unemployment rises continually in the strike area. I realize that the strike weapon is the only weapon labour really has, but on the other hand I

believe that if labour overplays that weapon they will find the effectiveness of it will be reduced.

Labour must take a sane and sensible approach to strikes. The further we get away from harmony between management and labour, the more likely it is that a condition will arise which will result in a strike. Strikes always mean a loss of time, not only to those who are in the industry concerned but to those in associated industry. It is not always true either that when a strike is over the industry starts rolling again. I should like to quote again from the Prince George *Citizen,* in which there appeared an article under the heading "Strike Hangover cuts Mill Output". It reads:

> Fort George forest district mills cut the smallest December post-war sawlog scale on record in the first month of the present B.C. forest branch year, statistics disclosed today.
>
> Observers in the industry blame the low December cut on a "strike hangover" and soft market prices.
>
> The "strike hangover" they say will likely affect production during the first three months of the present forest branch year.

When the strike is over we do not always find full employment is possible. In the case of our forest industry we know that is true. A few years ago we had a strike in that industry, but when the men were ready to go back other factors stepped in and made it impossible for them to go back to work. There are forest closures and so on. Then, during that winter, it was found that the snow was so deep on the mountain slopes that work was impossible, so it became a difficult time for the workers in that area.

Mention has been made of projects to take up the slack of unemployment. In this connection we should bear in mind that money for these projects comes out of the taxpayer's pocket. Naturally, I feel they are desirable; but there is a way that the object could be accomplished without digging too deeply into the taxpayer's pocket. Under our present system, that is where the money comes from to meet these demands. As a result of our defence program we have an enormous production of non-consumer goods, which releases purchasing power in an increased volume.

It seems as though we are now entering a period in which credit buying is at an all-time high. People are trying to stretch their dollars. I was told, and I believe it is true, that one store in this city is offering television sets, without a down payment, for as low as $2.75 per week. Business is trying to keep going with a deficiency in purchasing power. We are entering a phase now where credit buying has almost reached the point that it can no longer be continued. People are starting to pull back. This will mean lay-offs, cutting down in consumer purchasing power, and unless something is done to arrest it we will find ourselves in a depression. It is common knowledge that the new housing legislation was brought forth, primarily, not to build houses but to put more money into circulation with which people could buy goods and services. In other words, it was designed to release credit to the people. I say there is not a better method than housing to accomplish this purpose and reach the various industries throughout the country which would participate in such a scheme. But at the same time we feel that we must look farther afield and get into a position where we recognize the real root of the problem; and in my estimation that is a deficiency in purchasing power. The amount lost through this deficiency in purchasing power must reach the hands of the people through channels other than those of production. It must be supplemented. Many economists know—and this is not contradicted—that production does not release enough purchasing power to buy back that which is produced. If this is true, then it means that we must have purchasing power released into the hands of the people through means other than normal channels of production.

If our defence spending is to be curtailed, and that amount of energy is to be put into peacetime production, we are going to have a national credit of goods for which there is no purchasing power. But if we have that national credit, we also have a national debit in the form of our senior citizens, crippled children, the blind, veterans and so on. All social services constitute a national debit. If we have a national credit, then let us transfer some of that credit into the hands of those people who are struggling along on $40 a month.

If these are recognized facts in our economy—and I think they are—then let us move toward that goal by distributing purchasing power among those people, making that distribution against the national credit that we have. We could go farther and take up the slack of unemployment by going into the production, on a national scale, of highways, irrigation projects, power projects and so on.

I shall not discuss this point further, because I see the time at my disposal is slipping along. But for those who constantly refer to free enterprise as the bugbear in the present economic situation I should like to read some excerpts from *Time* magazine of February 15 dealing with the revolution in industry that

took place in Germany in the last few years. This undoubtedly will give our government some food for thought in respect of our problems here in Canada.

These excerpts are as follows:

West Germany throbs with its fabulous recovery while the East Germans under Soviet rule are on the brink of starvation . . . In the Ruhr, bomb-shattered steel mills glow once more through the long winter nights. Germans who were once glad to sell their prized possessions for a few packs of cigarettes now have one of Europe's strongest currencies in their pockets. Shops are loaded with consumer goods and crowded with substantial-looking buyers.

Germany's rebirth is the kind of economic miracle Americans can understand. At a time when other European nations were leaning towards socialism, Germany plumped for free enterprise . . . "Turn the people and the money loose, and they will make the country strong." As a result, the free world is now blessed, on the one hand, by its strongest European bulwark against communism—and confronted, on the other, with a new trade competitor who has come up so fast that nobody knows quite what to do about it.

Believing that "labour and management must be unified into one big group that depends on the same success," Nordhoff called a meeting of his shabby work force. "I'm afraid I gave them a stiff shock," says he. "I told them their working methods and production were miserable. It was taking us 400 man-hours to produce one car. I told them we would cut this to 100 hours. They laughed at me. But today we do that."

To make the economy grow, economics minister Erhard ended rationing, removed controls, gave industry tax concessions to permit rebuilding and expansion . . .

Last year gross national output hit a new high of $35 billion, 40 per cent above the 1936 figure for all of Germany. Items: Chemical output up 102 per cent over 1936; electrical equipment up 238 per cent; coal up 20 per cent; shipyards are now building 633,904 gross tons, second only to Britain's.

While West Germany has had to absorb 10 million refugees and expellees, unemployment is relatively low (1,000,000 last week), and the government has hopes of creating some 250,000 new jobs this year.

Anyone who says that free enterprise is the cause of the trouble in our economic situation should look at what has been done in Germany under a free enterprise system. Our problem here is one of distribution; and I think that as time goes on people across this country are going to wake up to the fact that there is a way out, and a way in which our goods can be distributed. They will realize there is a way to maintain our freedom as well as the distribution of our goods. And they will be looking to those of us sitting in this corner of the chamber, the Social Credit group, to lead the way.

Mr. Jean-François Pouliot (Temiscouata): Mr. Speaker, my hon. friend is very optimistic when he says that the people will look to Social Credit policies to relieve unemployment in this country.

Mr. Knowles: The hon. member used to sit over in that corner, himself.

Mr. Pouliot: Oh, yes, but it was under different circumstances. It is not the place where one sits that counts; it is what is said from that seat.

Everyone has expressed his opinion about unemployment, a very sad thing and deplored by all. What is necessary is to offer the true facts as they are and to offer as well the best suggestions to improve labour conditions in this country. The Minister of Labour (Mr. Gregg) and the Acting Prime Minister (Mr. Howe) have told the house how much concerned the government is about labour problems. They have said that they missed no opportunity to see to it that all those who are capable of working and willing to work should earn their living at all times of the year in this country. There is one thing that surprised me in the remarks of the hon. member who sponsored the amendment. He based his speech upon a memorandum or joint submission on unemployment to the government of Canada by the Trades and Labour Congress of Canada and the Canadian Congress of Labour. The representatives of those large unions came to Ottawa to make representations to the government. If I were to express my opinion about that memorandum I would use the following biblical phrase:

And why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye?

They see the mote in their neighbour's eye, and they do not see the beam in their own. Then there is another quotation:

Thou hypocrite, first cast out the beam out of thine own eye; and then shalt thou see clearly to cast out the mote out of thy brother's eye.

My contention is that the labour unions must assume great responsibility in matters of unemployment. Very often there are men who are unable to work because of the dictates of union leaders. There are several occurrences of this nature of which I have knowledge. Very often I have had to fight the unions in order to protect union members.

During the railway strike in 1949 or 1950 there was a meeting of the railwaymen in my home town. I said to them what I have just said here. One man came to me after and said, "That is right, Jean-François; it is true; you were right." I would have preferred to be wrong, but I had to fight the union leaders for the protection of the men. I remember saying once to the former minister of labour, Mr. Mitchell, that it was often important and sometimes necessary to speak to the members of the union over the heads of their leaders because in that way we were often better understood.

Proposed Committee on Unemployment

Quite often the union leaders are most undemocratic. They do not consult the members of their unions about the course to be followed. They impose their own views upon the men and the men have to suffer because of the decisions made by a small number of men who receive large salaries and who try to exploit human credulity to its limit.

This occurred recently in Noranda, in Quebec, which offers a typical case. In August last year a strike was decided upon. I am told from a reliable source that the company was ready to deal with the men, but it was a question of check-off. The company did not want to hear any suggestions with regard to the check-off and then a strike was decided upon. It was impossible according to the labour regulations to make an offer to the men at the time, but the men knew that the company was well disposed toward them and it would have been easy for them to get what they wanted.

The union insisted on calling a strike in August. A citizens' committee was formed and it met with representatives of the company. During the week end we heard with great satisfaction that the strike had been settled and the men were to resume their work. But what happened in the meantime? The men who belonged to the union have had to spend the money they had saved over several years in order to live. They did not suffer from hunger because they had received fair wages, but they had to take from the bank the money that they used to receive in the form of cheques. It will now take them many years to build up their savings to where they were when the strike was decided upon by the union leaders.

The men gained nothing. The increase they have obtained could have been obtained in the summer. They were without salaries and wages for many months, for more than half a year. They had nothing except a small pittance from the union. I hope that as a lesson that small amount of money paid by the union to the men to help them exist will not be paid back. What is the result? The union leaders had to show their so-called usefulness to the men. The only thing they have done is to cause them trouble and make them suffer for many months.

They were unemployed but that was not the fault of the government. It was the fault of the union. In this case the unions were to blame. In my own town of Riviere du Loup there is a pulpmill employing 40 to 50 people. The men working there decided to ask for an increase of so much per hour but the company explained that they could not give it to them, that they had to decrease their salaries to a small extent in order to be able to sell their product at a price that would be acceptable on the world market. The company had in prospect some fine contracts in England and in other parts of Europe, and they were awaiting the decision of the men in order to start production.

However, the union decided that the men should have more instead of less and, as a result, they have been unemployed now for a long time. The two union leaders were able to obtain jobs elsewhere and they did not suffer from the strike. They were well looked after because they had jobs elsewhere, but the other poor fellows had to live on their unemployment benefits. This is very sad and those unemployment conditions were created by union leaders and the men suffer because of them. Every other week in my home town I hear of notices of meetings of the so-called union to discuss the matter, which has been discussed for many months. The men are not working now and that is what happened. Of course, all these facts have not been mentioned in the memorandum that has been sent to the government.

There is another mill in my constituency which has been closed for the winter, and this very important mill has been closed because of the exacting propositions submitted by union leaders. There they were asking for more all the time and finally the owner said: "Well, if you ask so much for your wages, then it is impossible for me to sell my products on the markets of the world. The only thing for me to do is to close the mill for the winter." He closed it and the men have unemployment benefits.

It is a very sad situation but it was created by the union leaders, some of whom come from various parts of the country. We have some visitors from Quebec city who are talking all the time and who try to influence the men in order that they may ask for more all the time so that they may demonstrate the importance of their jobs and continue to receive the salaries they get by causing trouble.

I had to discuss the question of seniority with the leaders of the labour union, and the general chairmen of the Canadian National Railways in Moncton refused to give the men the seniority rights they were entitled to. I had to fight with them; I had to put them to shame. I had to get in touch with an important officer of the union in Montreal, and with Mr. Bengough in Ottawa and Mr. George Meany in Washington, and finally I got it. I had to put to shame the general chairmen of the union in Moncton. They

wanted to protect their in-laws, their friends and relatives, at the expense of other men who had seniority rights over them. That has been my experience with the union. I had to fight with them. The trouble is, sir, that these same people never represent the mentality of the men in the union. Most of the time the men are willing to work if they are allowed to go back to their jobs, but they cannot. There is a protest from the union leaders. They encourage them to continue their strike and they promise them the moon. We cannot go on like that. The high cost of living has been created by the exacting requests of the labour unions and they are not sensible and it is impossible to discuss the matter with them. My suggestion is that we should take every opportunity to appeal to the common sense of the men by speaking over the heads of the leaders of their union.

I am not shocked at all to hear any hon. member of parliament speaking about unemployment. Other hon. members have problems in their constituencies, as I have in mine, and I sympathize with those who are unemployed. On the other hand, if the union leaders from the general chairman down were more sensible we would have less unemployment in this country.

If we figure out the total amount of unemployment in this country, we must consider that many men were engaged in lumbering operations who did not receive unemployment insurance benefits before, and it is due to representation made by the hon. members of the constituencies in which there are forestry operations, from Newfoundland, north of the St. Lawrence, eastern Quebec, northern Ontario, and northern Quebec, that these men received unemployment insurance benefits.

These hon. members made representation to the former minister of labour—the present Minister of Labour (Mr. Gregg) was at the Department of Veterans Affairs at that time—in order to have unemployment insurance benefits for these men engaged in lumbering operations. At that time there was a crisis in the sale of lumber and we succeeded with the help of the parliamentary assistant to the Minister of Labour at that time, now Mr. Justice Cote, in securing unemployment benefits for the men who had paid no dues to the commission, contrary to what is required by the law. There was an exception made for the first year, but that large body of men are now on the list of unemployed. They are securing unemployment benefits which they did not receive before. The law was changed in order to give them an opportunity similar to that accorded to other workers and this was done through the efforts of hon. members in the constituencies in which there are forests. They did that to help the men. That assistance was suggested by my parliamentary colleagues but it was never suggested by any union. It was done by members of parliament and was implemented by the then minister of labour in the Liberal government at that time. That was very important.

Today, if there are 500,000 unemployed, there may be a large number of men who were engaged in lumbering operations and whose names are recorded amongst those of the unemployed, because lumber operations were shorter last fall than was usual. On account of what? On account of weather conditions. We had no snow until the middle of December in our part of the country and lumbering operations were therefore much less important than they are normally.

On the other hand, we must remember the government has done everything it possibly can to give assistance to the unemployed by giving all the work it was possible to do by encouraging private and public corporations to give them that work, and also by coming to their assistance with family allowances and pensions such as are paid to the older people. Not only that, there are the invalids who are dependent on the unemployed. This year it was with joy that I heard the Minister of National Health and Welfare (Mr. Martin) say that the government was to come to their rescue by giving them a pension.

Mr. Martin: The hon. member had been urging that for some time.

Mr. Pouliot: I had been urging that but I was not the only one. I remember that there were motions in the names of many members for many years; there was the hon. member for Bellechasse (Mr. Picard), the hon. member for Compton-Frontenac (Mr. Blanchette), the hon. member for Terrebonne (Mr. Bertrand) and I do not know how many others.

Mr. Martin: The hon. member for Fort William (Mr. McIvor).

Mr. Pouliot: Yes; our dean, the hon. member for Fort William. We had made representations to the government in order to obtain that result which is most satisfactory. I was delighted to hear that the provinces had agreed to the scheme.

Mr. Martin: No. They have agreed in principle.

Mr. Pouliot: I thank the minister. They have agreed in principle. But there were conferences between federal and provincial representatives here in Ottawa in order to

bring the matter to a conclusion. This is something. We hear the unions suggest more pensions, more money, higher rates for unemployment insurance benefits. That pamphlet has several pages, and in it you do not see two words which I would have expected from well-educated men that they are, namely "Thank you". I am surprised that those gentlemen did not thank the leader of the government and all his colleagues, including the Minister of Labour (Mr. Gregg) and the Minister of National Health and Welfare (Mr. Martin), for what has been done for the Canadian people by this government. We have to take the situation as we find it. They blame everybody for their own mistakes. The government is asked to improve conditions which have been made worse by those very people. The situation is unfortunate.

I do not want to dwell on the matter at any length. We all share the concern which has been expressed so eloquently by the hon. member for Cape Breton South (Mr. Gillis). We all know that he is sincere. He is one of the best debaters in the house and is listened to with attention when he speaks in debate. He said he was sorry when some of our fellow citizens were unemployed. We are all sorry. But the government has made things much easier for all those people. Just imagine, Mr. Speaker, what conditions would be like in Canada if we had to rely on social credit coming to the help of the unemployed. What would we do if everything were nationalized and we had not the revenue with which to pay them in good money all the benefits that are now given to them by the government? What would be the condition of affairs if the hon. gentlemen of the Progressive Conservative party were in power?

I remember when Mr. Bennett was the leader of the government. Before he came to that position he himself created unemployment, and for a good reason. He and his chief organizer in 1929—the year that has been referred to by the hon. member for Prince Albert (Mr. Diefenbaker)—each subscribed $350,000 to the electoral funds and they invested that money in brokers' offices. The leader of the Conservative party—it was not progressive at that time—used to say "Conditions are bad; we have unemployment, but I will cure that". Every time he spoke of unemployment and said that conditions were bad in this country, the stocks were getting lower and lower and he was making more money because he was speculating on the fall in price. Finally, when he had realized an amount which was as much as his investment, he succeeded. He used that money to win the election. Afterwards he had to face the unemployment matter and he was not able to cure it. It was worse than ever. Let my friend the hon. member for Prince Albert be careful and not mention 1929 because I was in the house then and I remember what occurred at that time. I could tell him much more. If he were here in the house I would tell him much more about the policies of his own party at that time. But now there is no question of that.

We may have some unemployment to some degree at the present time but it is far from being as bad as it was then. There are compensations, inaugurated by the Liberal government, which the workers did not have at that time. Conditions therefore are not as bad now as they were then. I do not intend to make a political speech about the matter. I just wanted to remind the union leaders that they must be extremely careful in their dealings with the men, whether they are miners or are men engaged in other occupations. If there is more co-operation from the labour unions, and if they act in accordance with the democratic principle of consulting the members of their union before making pronouncements and giving orders, we shall have much more stability in employment in this country.

Mr. W. G. Blair (Lanark): Mr. Speaker, I am in full agreement with the necessity for a debate on unemployment. I am glad that this matter has been brought before the house by the hon. member for Vancouver-Quadra (Mr. Green). There is no doubt about the emergency, and I congratulate the hon. member on his action in placing this matter before the house.

I should say that this is a matter that is of vital importance to the constituency which I have the honour to represent. In my riding there are twelve textile mills and one large manufacturer of farm implements, namely Cockshutt, Frost and Wood Company at Smiths Falls. Unemployment is really bad in my riding. With two industries affected, I consider the matter one of extreme importance. I consider it to be a matter which should be discussed in this house.

Last Wednesday we had a delegation from the works men in the Canadian farm implement industry who met with the Acting Prime Minister (Mr. Howe) and the cabinet with regard to the serious situation faced by that industry. There were also present delegates representative of the farm implement industry from sections such as Toronto, Hamilton, Brantford and Smiths Falls. It may be that there are 10,000 or more people affected. The fact that so many people are unemployed at the present time makes it a serious situation in these industrial areas.

Various causes were given for the unemployment but to my mind one of the most

important was the fact that diminishing farm income was the cause of the decline of farm machinery sales. It is my belief that the present uncertain condition in the dairy industry has much to do with and is one of the main causes of this situation. As far back as April, 1952, I brought this matter to the attention of the House of Commons. At that time, speaking on the dairy industry, I made the following statement, as found at page 1594 of *Hansard* for April 25 of that year:

> The situation today constitutes an emergency, the root causes of which are not confined to the dairy industry. If the cheese production branch is unable to market their product at a satisfactory price, then the whole industry will be affected. Something must be done to secure a market for surplus cheese at a fair price. Any loss in price will not only affect our dairy farmers but will have an effect on the whole Canadian economy. A satisfactory floor price below which prices will not be allowed to fall, thereby virtually destroying this essential industry, must be assured to producers now.
>
> Even this is only a partial answer. There must as well be an all-out sales effort by the dairy trade and the government. Not only is a satisfactory floor price necessary, but some means must be found to dispose of surplus production. Failure to do so will give rise to a feeling of uncertainty which cannot help but spread to other related industries and in turn will reflect itself in unemployment in this country resulting from a lack of orders for farm machinery and other manufactured products.

I again point out that I gave this warning in the House of Commons in April, 1952. Now many of the things which I said then have come to pass. The dairy industry has now reached a critical position, and it is becoming more apparent that the decline in farm machinery sales on the domestic market is due to lack of buying power among the farmers. If it is true that farm incomes have declined 22 per cent in fifteen months, then, sir, it is inevitable that farmers will buy less and that fewer people will be employed in the farm machinery industry.

There is one fact that must be clearly faced by the public, the fact that while there has been a decline in farm income there has been no decline in the cost of consumer goods to the farmer. Everyone is looking for cheaper food costs, and almost every person believes that agricultural products should be bought in a cheap market—and by agricultural products I mean food—without realizing that the farmer is faced not only with higher production costs but higher costs for all the commodities which he buys.

The production of food might well be considered a manufacturing process, and it is subject to the same economic conditions as in every other industry. It is not a business in which labour can produce cheaply, buy in a high cost market, and sell at a price which people think they should give. It must be fully realized that any situation of falling farm prices will be reflected in farm buying.

It cannot be expected that farmers can provide cheaper food without curtailing the amount of money which they spend. In the ten-year period, 1941 to 1951, the number of Canadian farmers dropped by 110,000. Competition is becoming keen throughout the world in the production of foodstuffs. In one year, 1953, the average weekly earnings of Canadian workers in industry rose by 4 per cent in income, but there was no income gain in that year so far as farmers were concerned.

There are 455,000 dairy farmers in Canada. This means a large domestic market for manufactured goods. One in every six Canadians, or about two and a half million, are dependent upon the dairy industry for their livelihood. Over 70 per cent of Canadian farms have some form of dairy production. There is a tendency among the urban population not to realize the importance of this large industry, or to realize the importance of those engaged in the dairy industry as consumers of the products of labour. Farmers buy not only farm equipment and machines and tractors but they buy fertilizers, shoes, electrical appliances and, in fact, all the commodities which are necessary in life.

If one-sixth of our population is dependent on the dairy industry, one must fully realize that this one-sixth of our population is a large market for the products of industry manufactured and produced by the other five-sixths. The dairy industry and other manufacturing industries are closely allied, and if there should be a failure of any kind in one branch it is almost certain to be reflected in other branches of the industry.

I do not believe that anyone can say that the dairy farmer can buy the things he needs and yet sell his milk at a price below the cost of production. Now that some alarm is being shown regarding the number of men laid off in the plants manufacturing farm machinery, it is becoming very apparent that unless the gap between the cost of producing farm products and the income received by the farmer is closed the situation will tend to become worse and will continue to extend to other things besides the manufacturing of farm machinery. In a broadcast President Eisenhower made recently he stated:

> We are one family made up of millions of families with the same hope for a happy life. We must not become a nation divided into factions and groups. Any real injustices in this business of living penalize all of us.

There is another threat to the dairy industry made by the pressures on our domestic market

of imported vegetable oils. Half of this importation comes into the country free of duty. This competition has lowered the per capita consumption of butter by about eight pounds. The production of creamery butter in Canada amounted to 21 million pounds last year, more than in 1952. On the first of January of this year stocks of creamery butter totalled 71 million pounds. This amounts to 30 per cent more than on the first of January, 1953, and 58 per cent more than the stocks held two years previously. The national dairy council estimates that on the first of May, 1954, butter stocks will be 35 million pounds greater than the domestic needs, and this at the beginning of the production season of butter. The total amount of butter consumption has dropped 45 million pounds in the past five years, and no doubt a great deal of this is due to dairy substitutes such as edible oils. The per capita consumption of butter dropped 23 per cent during the same period.

Consideration of these figures will give some idea of the uncertainty existing in the dairy industry at the present time and hence some reason for the attitude of farmers towards new equipment and farm machinery. Nor is the domestic market the only cause of the present unemployment situation in the farm implement branch. While there is a decline in the amount of buying on the domestic market, yet the amount of farm machinery exported has dropped.

I was impressed by the brief presented by the Canadian farm implement workers regarding exports of farm machinery from Canada. I am not going to attempt to place on record all the figures that they gave except to point out that the Canadian farm machinery industry has lost $29 million or over 29 per cent of the export business it had in 1952. In November, 1953, farm machinery exports had barely more than a third of the value of those for a year ago. To summarize, I would say the major causes of the decline have been falling domestic farm income and the loss of export markets for implements and machinery.

When this session of parliament opened I dealt with the position of the textile industry during the debate on the speech from the throne. The textile industry was one of the first industries in the Ottawa valley. In my constituency at the present time this textile industry is going through a period in which mills are closing down or working two or three days a week. I again remind you that in my riding there are twelve textile mills.

I cannot agree with the Minister of Trade and Commerce (Mr. Howe) that the competition in the cotton branch of the industry between the northern and southern sections of the United States is the cause of all our troubles in the textile industry. The Canadian industry is subjected to competition from such countries as Britain, Belgium and Japan. I should like to point out that this industry is responsible for the livelihood of over 100,000 Canadian citizens. It is not my intention to delve into the whole story of the textile industry, but I should like to point out that in whole areas there is marked unemployment, without any apparent hope in the future that things may be better.

The difficulty here would seem to be that the Canadian manufacturers are forced to compete with other countries with lower wage standards and cheaper production costs. Textile imports from these countries are constantly increasing, making it almost impossible for the Canadian industry to survive. In the towns in the Ottawa valley where the textile industry is one of our most important sources of employment, the situation has not improved and under present conditions shows little likelihood of becoming better. It is not sufficient to say that the people who were formerly employed in these industries can seek work in other areas and in other industries. Many people have been trained in both the industries I have mentioned, and have spent their lives in becoming skilled workmen turning out excellent products. They own their homes in the area in which they have been employed, and to attempt to shift the whole population would entail many difficulties. Workmen could not be expected to sell their homes to advantage in a depressed area, nor to attempt to begin all over again by buying a house in another area.

It might be argued that these two industries cannot meet competition, but to my mind they both are necessary to the economy of Canada. It is too much to expect that skilled workmen should change their lifework in such a situation. This unemployment cannot be classified as seasonal, certainly not in my constituency of Lanark. With living costs at their present level much distress exists in the affected area. The rise in wages of Canadian workmen is not the only cause of higher production costs. The workman is constantly being squeezed by high living costs and high taxes. You cannot blame him for asking for more money, although it is a fact that this does create a spiral. When a workman is faced with this squeeze between high living costs and taxes, the only solution which he can find is to ask for more money.

Diversification of industry might be an answer in some affected areas. The Canadian textile industry will still remain a part

of our defence plans, necessary in war but an important part of the Canadian economy. Canadian consumers have the right to insist on the savings made possible by fair competition, but it is doubtful whether the Canadian consumer would value the small amount he saves if he knew that such a saving meant the loss of a job of a fellow Canadian workman. Canadian textile mills are dependent on the domestic market. In 1952 they only exported $28 million worth of goods out of an $800 million output. Competition on the domestic market by cheaper foreign imports has caused a greater part of the difficulty.

The Minister of Trade and Commerce has talked in optimistic terms of future high investment, and so on. I hope this is true, but the segment of our population caught in the areas of unemployment have received cold comfort. No suggestion is made except that they get out of such areas and seek employment elsewhere. The situation cannot be passed over by simply referring to these industries as "soft spots" in our economy. It is the right of these workers to live and work in the industry for which they have been trained. One purpose of this debate is to bring before the government the urgent necessity of dealing with unemployment in such areas. Today, confronted as we are with the swelling rolls of the unemployed, the government's answer as expressed by responsible ministers yesterday has been that these are merely "soft spots", and such people who are unemployed must move elsewhere. These answers are wholly inadequate. If either the Minister of Trade and Commerce or the Minister of Labour feels that such an answer is adequate, I suggest he review the situation in the twelve textile mills of my area or in the farm machinery factory in the town of Smiths Falls.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): I should like to say a few words in this debate, Mr. Speaker. First I must comment on the speech which we recently heard from the member for Temiscouata (Mr. Pouliot). I am sure that the house was surprised, and certainly we in this group were shocked to hear the anti-labour tinge of his remarks. I believe the minister or some Liberal member, at the first opportunity, should rise and say whether or not this represents new Liberal trade union policy. I hope it does not.

Having said that, Mr. Speaker, may I say that I believe that one of the fundamental duties of the federal government is to adopt policies which will provide reasonably full employment in this country. It seems to me that, in a nation which has so much wealth and so many natural resources, there is no need for widespread unemployment at any time. In this debate there has been a good deal of argument as to how many people are unemployed at the moment. However, all members have agreed that the number is substantial. As for myself, I am quite prepared to take the word of the Minister of Labour when he said, as reported in *Hansard* for February 15, 1954, page 2085:

> The number of applications for jobs listed with the national employment service offices across Canada—there are about 220 of them—on January 21, 1954, was 524,000.

I suggest that number is alarming, and should cause concern to all members in this house. I feel it is our urgent duty, today and in the future, to examine the causes of this situation and see what we, as parliamentarians, can do about it. What has caused this unemployment? I suppose all of us have different views. Some may think the reasons are seasonal; others may think it is because of competition in our export trade; and others may feel that it is because of government policies. There are, of course, a number of contributing factors. This afternoon, I should like to deal with only one of those, and that is government policies.

In my opinion one of the major factors causing unemployment today is the short-sighted, and I believe oppressive, taxation policy of this government. This year the government is going to spend approximately $5 billion, according to the estimates which were tabled in the house a short time ago. What does that mean? It means that in 1954 out of every dollar which the average Canadian earns he is going to have to pay roughly 21 cents to the federal government. It means in the second place that this year every man, woman and child in this country is going to be taxed by the federal government at the average rate of $335. Every household will be taxed at the average rate of $1,340. In my opinion the effects of such savage taxation are now being felt in our labour markets across the country.

In the first place high taxes are adversely affecting consumer purchasing power in our domestic markets. Very substantial funds, which ordinarily might be used to build houses, to buy motor cars, farm machinery or textiles, are being siphoned off by the government in the form of taxes. And that reduced demand for goods must reflect itself, as I see it, in a reduced demand for labour.

I think in the second place that even the Minister of Finance (Mr. Abbott) would admit that the high rate of taxation in Canada today is harmful to the nation's investment program in new plant and new equipment. Our population and labour force are growing considerably each year. We must depend upon

expanding industry and business to provide jobs for many of those people. Yet our tax rate today is hindering individual and corporate savings at a time when vast new amounts of capital are needed for development and replacement purposes. I think we would have been in trouble some time ago, had it not been for the influx of American capital. To the extent that high taxes prevent individuals and companies from expanding, in my opinion the creation of new jobs is jeopardized.

In the third place, I believe that high taxation today is discouraging initiative. I think it is blunting incentive. I have said that, I must admit, for a number of years in the house. But if an individual risks expansion today in Canada he must be a brave man, because there are so many storm warnings out. If he is successful in his expansion, then the Minister of Finance will take a good deal, if not the most substantial part, of his profits. If on the other hand a man expands his business and is not successful, his whole operation may be jeopardized.

Thus I think many businessmen today in Canada are taking this attitude: "Perhaps a recession is coming; perhaps it is time for us to consolidate; with the tax rate so high, it might be safer for us to buy bonds". I suggest that such an attitude adversely affects employment.

Finally I believe that the high tax rate in Canada today is helping to force Canadian prices up and up. We have a 10 per cent sales tax on most manufactured articles. We have a 15 per cent luxury tax on dozens of the necessities of life. We have customs duties and tariffs which are very high. Those taxes and others help to make Canadian prices among the highest in the world.

I understand that at the present time the automobile industry is having certain difficulties. I have seen figures put out by that industry, showing that on the cheapest automobile manufactured in Canada today there are federal taxes amounting to hundreds of dollars. Small wonder that so many working people are finding it difficult to buy cars.

Mr. Studer: It is $100 in Saskatchewan alone.

Mr. Thatcher: But $700 federally. The same is true of many other products. High taxes are contributing to high prices. High prices are contributing to decreased demand. And whether we like to admit it or not, decreased demand today is contributing to additional unemployment. Not only are high prices hurting us in the domestic market, but I suggest that they are playing havoc with our products on the export market. I would remind the house that indirectly and directly three out of every eight of our working people depend upon export trade for their livelihood.

On the world market, nations everywhere must compete. Canadians cannot set prices on that market. We have to meet them or we do not sell. In recent years we have seen Japan and Germany experiencing a trade revival, and we have seen similar trade recoveries in other countries. As a result Canadian products are meeting ever stiffening competition. In many cases we are actually being undersold.

As I see it, one of the reasons we are being undersold is the many federal taxes imposed on the manufacturer and producer. In 1953 Canadian exports were down $363 million from 1952. Such industries as the automobile industry, the farm machinery industry and the textile industry have run into difficulty. One of the results of that difficulty has been a lay-off of employees.

For these reasons I believe that one of the first steps this government should logically take, if it is sincere in wanting to deal with the unemployment problem—and I think it is—would be to reduce the burden of taxation on the Canadian people in the coming budget. I think excise taxes, which are forcing prices up, should be reduced. I think the income tax, particularly for those in lower income groups, should be lowered in order to restore purchasing power. And I think the government should act more realistically with Canadian industry, so that business may continue to expand.

In my opinion high taxes are not inevitable; they can be lowered. But they can be lowered only if the government is prepared to cut expenditures. Perhaps the time has come for this parliament to give consideration to cutting sharply armament expenditures. Certainly the United States and Great Britain have already given us such an example.

Finally I should like to comment on an announcement made last evening at the Russian embassy to the effect that a special attaché is to be posted to Canada to try to promote Russian-Canadian trade. I think the Russian ambassador mentioned his country would be prepared to buy, among other things, textiles, meat, ships, butter, wheat and other commodities. If that offer is genuine, if there are no strings attached, and if no strategic materials are involved, then I for one hope the government will do something to try to take up his offer. Aside from the fact that such trade could serve to strengthen mutual understanding and friendly relations between our two countries, it could be one more step toward helping to solve our unemployment problem.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, so far in this debate we have heard from all sides of the house an explanation of conditions which could be found today among those employed in industry. I think the story has been pretty well told.

But, as usual, those primary producers who must look out for themselves have so far been completely ignored. I fully realize that those employed in the textile industry and in many other industries of this country are most unhappy with the unemployment situation as it exists today. I have every sympathy for those people and I only hope that conditions will improve in the near future to a point where employment may be found to take care of the entire group.

I have discussed this problem with the government officials since I came to Ottawa. I have placed before them the position of those in my own county, and I am convinced they are making every effort to improve conditions in the textile and other industries which find the going a little tough at the present time.

The subject introduced by the hon. member for Vancouver-Quadra (Mr. Green) is, I believe, of great interest to every member in this chamber. Employment in Charlotte county comes from the textile industry, the woodworking industry, and to some extent the fish canning industry. The majority of the labourers affected would be employed in the three industries I have mentioned. I have every hope that conditions may improve in connection with all three. However, I have in mind at the present time a group in my county and on the Atlantic coast line who have faced several seasons which have not been too good. These men find themselves without financial assistance of any kind. The fishermen to whom I refer do not qualify for unemployment insurance benefits, and that is why I want to emphasize the conditions in this industry for just a few minutes.

Those who are employed at the present time in the textile and other industries, or who are employed part-time, have the benefit of unemployment insurance. The fishermen of whom I speak are paying indirectly into the federal fund which supports unemployment insurance with no hope of ever receiving any benefits. To me that is a situation that should be rectified. I feel that this particular group should receive the same benefits from unemployment insurance that others in Canada are receiving at the present time. I see no reason why they should be asked to make contributions without any hope of receiving any benefits.

It has been suggested by some who have spoken previously that these payments should be increased. Again I believe every member in the house would have that same feeling. They would want it to be done if it were possible to do so. Unemployment insurance has been in effect for only 12 or 13 years, and I consider it one of the greatest protections the working people of this country could hope for. Of course the idea was initiated by a Liberal government and put into effect by a Liberal government. The benefits which the working people of this country are receiving today are, I believe, of great assistance, even in the present amounts.

I hope that the day will come when the primary producers of this country will be placed in the same category. When I refer to primary producers I mean that group who are self-employed, who must go out with their two hands to make a living for themselves. When the going is tough they just buckle in their belts a little tighter and continue to try to produce and sell. I feel that this group has been neglected, and I submit that it should be given some consideration. For that reason I suggest that some way must be found to include them with those who receive the benefits of unemployment insurance.

In the county of Charlotte which I have the honour to represent the time is rapidly approaching when these fishermen will be getting ready for spring fishing. There are types of fishing that are carried on the year round. There are hundreds of fishermen down there on the water trying to gain a livelihood. The necessary materials to repair the equipment needed in their fishing will have to be found within the next two or three months. In some cases it will be necessary to replace engines within that time if these men are to be able to carry on in 1954.

In so far as sardine fishing is concerned, the materials needed can be purchased during the winter months more cheaply than in the summer. Many of the men who would like to go back in the industry this year have not the necessary materials, and they have not the cash to buy those materials. Those who have always been most kind and considerate in furnishing credit have gone as far as they can. It has now reached the point where, if they are to continue, some sort of financial assistance must be provided.

I know these fishermen well because I have worked with them for over 20 years. They are not asking for a handout; they are not that type. They pay their bills when they can make the necessary money. They have had three or four poor seasons, and the reason I am particularly interested in them today is that it looks as though 1954 might be a good year in the fishing business. I say that for these reasons. We find today that the supplies of canned fish are practically depleted, and

the demand is good. The price should be more than fair. If these men could be put in the position where they could repair their structures or buy the necessary engines and other equipment they could carry on this year and would once more be established in this industry, and would face a much brighter future.

Whatever assistance is given will have to be provided within a few weeks, or the materials that would permit them to carry on this year will not be available. I brought this matter to the attention of the government on one previous occasion since we met last November, and again I want to suggest that some way must be found. It is most necessary that this particular branch of the fishing industry, this particular group of primary producers, must be in position where they can carry on with their work, the only work they know anything about. Because of the lack of equipment which I have mentioned, these men may lose a very good season this year.

In the nine years that I have been in this House of Commons I have noticed that it has always been possible to find some way to provide assistance for other primary producers. I am not speaking in a critical sense, but I remember a couple of years ago listening to a debate in this house which went on for three or four days in connection with the wheat producers of western Canada whose wheat was out under the snow. I have every sympathy in the world for those primary producers. We listened to their story for some three or four days and it was decided that assistance must be provided. If I remember correctly an amount of $20 million was voted by the government to take care of that situation. When seeding time came the following spring it was found that only $700,000 of that enormous amount had been taken up. In other words someone had been crying before he was hurt.

There have been other cases I could refer to, and again I am not speaking in a critical way. There was the time when $65 million or more was given to the western farmers. I stood in my place and voted for that because I am one who believes that all primary producers should be placed in the same category. We cannot make fish of one and fowl of another. I believe that the primary producers to whom I have referred today have every right to expect not gifts but financial assistance in the way of loans from this government. As I said previously, they are not the type who ask for a handout. They are the type of individuals who pay their bills and, with a little assistance at this critical time, they will be able to carry on this year. I only hope it will be the type of season I feel it will, because if it is I believe it will enable these individuals to get back on their feet once more, pay their bills, and look the whole world in the face.

I have letters daily from good friends of mine who are not complaining too much, though I feel they have every right to complain. They are not suggesting to me that these services which have been provided for others should also be provided for them. I know these services have been provided for others. I have supported them in every case and I am prepared to support them again because, in my humble opinion, the economy of our whole country is in the hands of those primary producers. There are only three places from which you can get wealth. You have got to dig it out of the sea, the land, or the forest and it is those men who dig that wealth out of the land, sea, and forest who are responsible for the standard of living we enjoy in this country of ours. I feel they are the type of people who should have first consideration.

In this debate thus far I have not heard them mentioned by any hon. member. That may simply be neglect on the part of some hon. members who have spoken. Perhaps they do not realize the conditions under which some of our primary producers live. I do, and I feel they must be assisted; and as long as I represent that particular group I am going to continue to emphasize in every possible way the importance of this group to the economy of our country and to the Atlantic provinces, because that old-established industry means much to those provinces.

We were very much encouraged by a recent statement made by the Minister of Trade and Commerce (Mr. Howe) to the effect that once more we may be able to get our share of the West Indies trade, which has always meant so much to the maritime provinces. But before I leave this particular subject I want to emphasize once more the necessity at the present time of providing assistance for this particular group of men. I am referring not to one particular branch of this industry but to the entire industry in the Atlantic provinces. I do not know much about conditions on the Pacific coast, but I do know these men must be given some financial assistance.

This is what I would recommend be done. I see no reason why small loans through our local banks, guaranteed by this government, would not solve the problem. I believe that is the manner in which it could be solved in a very short time. But there should be very little delay. The loans could be small, because

no fisherman requires a great amount of cash, only sufficient to provide the necessities that will keep him alive during 1954. I want to see such fishermen have that assistance, and I hope the government will see fit to provide it as soon as possible in order that they may once more be established in that industry which they love, doing once more the type of work they know how to do best.

When the hon. member for Cape Breton South (Mr. Gillis) spoke in this house yesterday he suggested that we in this country might be pricing ourselves out of world markets. I wish to go on record as supporting that statement 100 per cent. I feel that is one of our great problems in this country today. The hon. member also made another statement with which I heartily agree. He suggested that the economy of this country was closely allied with the economy of the country to the south, and that whether we liked it or not, whatever might happen to that economy to the south of us will have a serious effect on the economy of this country.

We who live on the international border have known the truth in that statement for a great many years. Any disturbance that might take place in the economy of the United States will immediately affect the economy of Canada. Each and every day we read about overproduction. Many feel that overproduction might be the cause of the unemployment we are experiencing in this country. To my mind this is the greatest fairy tale that has ever been told, because in my opinion since this old world was made there has never been overproduction in anything. The only thing that is wrong is the price tag. In western Canada we have millions of bushels of wheat which we say is surplus due to overproduction. If you turn that page over you will see on the next page that 70 per cent of the people in this world are underfed. There never was overproduction of anything. The whole trouble lies in the distribution, and to a great extent the source of that trouble may be found in the price tag.

Speaking in Rome a few weeks ago the Minister of Agriculture (Mr. Gardiner) had this to say:

> I do not think there is a country in the world today which can afford to buy some of our products at the prices our farmers must charge if they are to make a living.

I believe that statement would be endorsed by every hon. member in this house. That is one of our great problems. We have priced ourselves pretty much out of the domestic market and to a greater extent out of foreign markets. There is no one in this house who would rather see a high standard of living in this country than I, but I believe we have reached the point where the price tag cannot be ignored by consumers in this country, and there has to be a reduction somewhere.

When that reduction is made we shall all have to tighten our belts a little. When that proposition is put to labour it does not appeal to them. I am not criticizing them for the stand they take, but we all have to get down to earth and make up our minds that we have to export. This country of ours can never be in a position where the standard of living is such that we can say we do not require to export a good portion of what we produce, and we will never be able to export unless we can get prices down so they compare favourably with exports from other countries.

In 1953 we found markets in the United States for about 60 per cent of our exports. At a meeting in Washington in December, 1953, government and business leaders agreed that 1954 would see a drop in the level of U.S. business activity which might well result in unemployment in that country reaching a total of 3,500,000. I have read forecasts claiming that it might amount to 4 million. If that should happen in the United States the economy of this country will certainly feel the effect in a very short time.

The incomes of primary producers in Canada have been dropping steadily for the past two or three years. There is no question about that. I would say they have dropped to a greater extent on the Atlantic coast line than in the central provinces. During the same period the workers in industry increased their earnings from a previous average of $2,856 per annum to $3,117. That increase took place in 1953. It seems to me there are seeds of trouble in a situation where the primary producers are obliged to take decreases year after year and at the same time increase the wages of labour. As I have stated previously, I am one who believes that the labourer should be paid for what he does and I have every sympathy with him, as I myself have done plenty of hard work. But I believe you can get to the point where there is too much of a variation between the cut the primary producer must take and the increase the labourer insists that he have. It must be more evenly balanced if we are to have a stable economy in this country.

Exports and primary producers' incomes have been falling off. Imports and unemployment are rising. However, labour incomes have established an all-time record. I wonder

whether many hon. members in the house have stopped to realize that in 1953, the year just past, the labour income in this country was $9,700 million. It hit a new high. It was nearly 10 per cent higher than it was in the previous year, when it was $8,800 million.

I for one am greatly disturbed by the fact that wages continue to increase while there is a decrease in the incomes of that group who, as I have said, are the very backbone of the country. That is why I feel that in this debate, as in most of these debates that take place in the House of Commons, that particular group are the forgotten people. Those are the people who produce the real wealth of your country. In nine cases out of ten they are the ones who are forgotten. If wages continue to increase—and apparently every union is asking for increases—we shall find that we have not only priced ourselves completely out of foreign markets but that we have come to the place where people at home will refuse to buy in the domestic market.

As I stated a few moments ago, the first fairy tale we hear is that of overproduction. May I say that in the best years this country or this continent has ever seen there are thousands and thousands of Canadians who would like to own cars but who do not own them; they cannot afford to buy them. There are today thousands and thousands of Canadians who would like to have television sets but they cannot afford to buy them. The price tag just says no. There are many homes in this country in which they have not even a radio. Is it because there is overproduction of radios that they have not radios in those homes? No. The only reason that they have no radios is that they cannot afford to pay the price on the price tag that is hung on the radios.

I could go into this matter in a great deal more detail and I hope to do so at some later date, when again I shall take the time of this house to put a few prices on the record. These prices will be the authentic price in the United States of America as compared with that of exactly the same article manufactured in Canada. I collect that sort of data nearly every week, and I have quite a bit that I want to put on the record. One of the biggest problems that we have to contend with in this country is the fact that that price tag, in many cases, is 50 per cent, 60 per cent or 75 per cent higher than the price tag that hangs on the same article across the border.

That is one of the big problems we have to contend with. Some way must be found to bring these prices more into line. Sometimes when I see such terribly great variations I wonder why the people in this country have not exploded long before this time. People living back from the border do not have the same opportunity to watch these glaring examples of robbing the people of this country. When I am home I see it every day, and it is brought to my attention every week. I refer to this discrepancy as between United States prices and the prices the Canadian people are asked to pay today. That is another subject all its own which it would take a long time to deal with. At some future time I hope to have the opportunity to bring that matter to the attention of this house.

There are many things along this line that should be discussed openly in the house in the hope that some day we may convince the manufacturers in this country that we have subsidized industry long enough. When you mention "subsidy" in the House of Commons you find that by a great many members it is looked upon with a great deal of suspicion. "Subsidy" is a word they do not like. But when I see a company in the United States, with a subsidiary in Canada under the same name, which is charging $300 in the United States for an article that costs me $600 in Canada, there is a lot of subsidy connected with it somewhere. Some may call it tariff protection. Some may have other names for it. To me, however, it is the subsidization of industry by the Canadian people.

Mr. Adamson: Would the hon. member name the article?

Mr. Stuart (Charlotte): Since the question has been asked by the hon. member to my left, I shall do so. I am sorry I did not bring the documents down to my desk. Just a few weeks ago advertisements were sent to me from two papers. One is printed in Windsor, Ontario and the other is printed just across that little bridge in Detroit, Michigan. On the same day two advertisements appeared in the two papers. They are advertisements by the Westinghouse people. They have to do with an automatic washer and drier. In the United States on that particular day the price was $369.90 and in Windsor it was $689. Yet only a few days ago my friend the hon. member for Greenwood (Mr. Macdonnell) rose in his place in the house and said he hoped that when the government was looking into this matter of dumping in Canada, they would give every consideration to those who manufactured electrical appliances.

If the hon. member would like to see the advertisement it is in my office, and I should be pleased to show it to him. It had to do with articles which were exactly the same,

manufactured by the same company and advertised on the same day. Yet the price was $369 in Detroit and $689 in Windsor. I wonder just how long the people of this country are going to stand by and see examples such as that which I have just mentioned. Day after day they see them. I wonder just when they are going to rebel.

That is the great problem we have to face in this country. The price tag is all out of reason. We have to get down to earth. We can manufacture a great deal more cheaply than we are manufacturing at present, but just so long as these industries are subsidized they will still take that amount from the Canadian people without any hesitation.

Hon. members will recall, without my bringing it to their attention, what was found in every case where the Combines Investigation Act was applied and where investigations were made. What do we find? On different occasions I stood up in this house and told about the great monopoly that we had to deal with in so far as the rubber industry was concerned. I brought that matter to the attention of this house on many occasions. To me it was a combine. To me it was a monopoly. When the matter was investigated, what did we find? We found just exactly what I knew would be found. If many more industries in this country were subjected to the same type of examination I am sure the investigators would come up with the same answer. It would be found that the combines and the monopolies are setting the prices, and that the Canadian people are paying through the nose.

In so far as unemployment is concerned, and in so far as overproduction is concerned, the whole problem lies right on their doorstep. It is the price tag and nothing else. When we in this country decide to give the citizens of Canada a break and bring prices more in line with those to the south of us we will find less unemployment and many more happy people.

Mr. Deputy Speaker: It being five o'clock, the house will proceed to the consideration of private and public bills.

PRIVATE BILLS

CANADIAN PACIFIC RAILWAY

Mr. G. J. McIlraith (Ottawa West) moved the second reading of Bill No. 252, respecting Canadian Pacific Railway Company.

Mr. Knowles: Let us have an explanation.

Mr. McIlraith: I thank the hon. member for drawing my attention to the fact that he would like an explanation. I am very happy to give him one. The purpose of the bill is to grant authority to the Canadian Pacific Railway to build a branch line some 15 miles in length from the divisional point at Havelock, Ontario, to Nephton, Ontario. Havelock, as hon. members know, is a divisional point about halfway between Smiths Falls and Toronto on the main line of the C.P.R. Nephton is the site of the operations of American Nepheline Limited, a mining company controlled by Ventures Limited. It employs some 150 persons at the mine at Nephton and the operation involves the production of nepheline syenite, a product described to me as being made from igneous rock somewhat resembling granite in texture, hardness and general appearance.

The product is used in the manufacture of glass and pottery. About 75 per cent of the production is exported to the United States, about 22 or 23 per cent is used in Canada, and the rest is exported to other countries. The product has been transported by truck from the mine to Lakefield, Ontario, a distance of some 24 miles over a secondary road wholly maintained by the company. The branch railway line will enable the company to do away with the truck haul and will be a more economical operation.

The proposed railway line is being financed by the company and the C.P.R. There is no question of public funds being involved in any way. There is an agreement, which can be produced in committee if any members are interested in it, as to the financing of the construction. It is estimated that the construction will cost about $1,500,000, and it would be the intention, if authority is granted by parliament to construct the line, to start construction immediately the operation can be got under way this spring. It should be wholly completed within about nine months from the start.

Reserves of ore indicated at the present time at the mine, although a survey of the reserves is not complete, would indicate sufficient ore to warrant at least 20 years production out of known reserves.

I do not know that there is much more that I can usefully add. I might say that under the Railway Act the authority of parliament is required before any branch line more than six miles in length can be constructed. If there are other questions hon. members want to ask I shall be glad to get the information for them or arrange to have it provided at the committee stage.

Mr. Knowles: I wonder if the hon. member would answer one question. I take it from his explanation that Havelock is the nearest railway point to Nephton at the present time.

Mr. McIlraith: Yes.

Mr. G. S. White (Hastings-Frontenac): Mr. Speaker, I want so say a word or two in support of the bill. I am well acquainted with the company and the location of the mine, and I should like to add a few remarks to those of the hon. member for Ottawa West (Mr. McIlraith). He mentioned that at the present time the nepheline was being trucked over a secondary road to Lakefield, where there is a small mill. My information is that when the new 17-mile railway line is completed a new, large, modern mill will be constructed right at the mine and production and output will be greatly increased.

It may be of interest to hon. members to know that to my knowledge this particular mineral, which is used for glass and pottery clay, is only found in eastern Ontario in the county of Peterborough and behind the iron curtain in Russia, from where it is not available to the western world. I am sure all hon. members will be in favour of the bill because it will not only increase employment, a subject that is before the house today, but will assist greatly in developing another mineral industry in eastern Ontario.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

SECOND READINGS—SENATE BILLS

Mr. Deputy Speaker: There are several divorce bills, Nos. 253 to 262 inclusive, to be considered. Is it agreed that they will be entertained in one motion?

Some hon. Members: Agreed.

Mr. W. G. Weir (Portage-Neepawa) moved that the following bills be read the second time:

Bill No. 253, for the relief of Gloria Alphonsine Timmins Ferguson.—Mr. Hunter.

Bill No. 254, for the relief of Adella Alice McNeil Slobosky.—Mr. Hunter.

Bill No. 255, for the relief of Vera Marguerite Hennigar Isenring.—Mr. Hunter.

Bill No. 256, for the relief of Sylvia Golbas Lann.—Mr. Hunter.

Bill No. 257, for the relief of Lucy Jane Cole Judd.—Mr. Hunter.

Bill No. 258, for the relief of Walter Hardy Willows.—Mr. Hunter.

Bill No. 259, for the relief of Elizabeth Temple Jamieson Grier.—Mr. Hunter.

Bill No. 260, for the relief of Herbert William Bateman-Cooke.—Mr. Hunter.

Bill No. 261, for the relief of Rita Ann Rennie Knight.—Mr. Hunter.

Bill No. 262, for the relief of Mavis Josephine Green Jackson.—Mr. Hunter.

[Mr. Knowles.]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before the motion covering these ten divorce bills is carried may I draw attention to what I believe is a slight error in *Hansard* with respect to the last time we had divorce bills before us. On page 2046 of *Hansard* for February 12, 1954, the hon. member for Parkdale (Mr. Hunter) is indicated as having moved the second reading of the divorce bills which were before the house on that occasion. I certainly would accept correction from the hon. member if I am mistaken, but I believe he was not in the chamber at the time and if that is correct someone else must have moved second reading of the bills for him on that occasion.

Motion agreed to and bills read the second time.

CURRENCY, MINT AND EXCHANGE FUND ACT

AMENDMENT TO PERMIT MINTING AND MARKETING OF GOLD COINS

The house resumed, from Friday, February 5, consideration of the motion of Mr. Adamson for the second reading of Bill No. 173, to amend the Currency, Mint and Exchange Fund Act.

Mr. Armand Dumas (Villeneuve): Mr. Speaker, the purpose of Bill No. 173, an act to amend the Currency, Mint and Exchange Fund Act, is to allow Canadian gold to be sold freely in Canada and thereby restore gold as a prime medium of exchange within the boundaries of a country not practising exchange control or other currency restrictions, thereby establishing a price for gold which can be maintained in a free economy upon which an eventual return to a gold parity may be established. By allowing individual Canadians to hold gold freely, it provides a means by which they may protect themselves from further inflation.

Another purpose of the bill, as stated by the hon. member who introduced it, is to try to save money for the Canadian people. The precarious situation of the gold mining industry and the communities dependent upon it is well known to all hon. members in this house.

In participating in this debate it is not my intention to enumerate once again all the difficulties encountered by gold producers, or the hardships facing the people living in the gold mining communities. There will be ample opportunity for me to do so later when discussing other legislation now on the order paper. A great number of people, both here and in the United States, as well as in other parts of the world, have good reason to believe that an increase in the price of

gold is a probability in the near future. It is believed that powerful economic forces will eventually compel the United States to agree to an increase in the official price of gold, after other efforts have failed to check severe declines in prices and production and employment throughout the world. The expectation of a high price is an incentive which encourages the mines to continue operations and to prepare for the better days which it is believed are ahead.

However, such an increase in price may take longer to come about than we would like. Until such time as this increase is a reality, official assistance is essential. During the past six years the gold policy of the Canadian government has been found to be both just and fair. Most of the proposals put forward by those interested in the welfare of the industry, and of the mining communities dependent upon it, have been implemented. If all the proposals did not receive legislative sanction, it was not through any lack of sympathy on the part of the government.

Late in 1952, when it was made clear by the then secretary of the United States treasury that his government's policy was that there would be no increase in the official price of gold it was recommended by the Canadian metal mining association, by provincial associations and by the mining communities that the Canadian government should initiate action along the following lines. The marketing of fine gold should be permitted and encouraged by the following means. First, producers electing to sell on the premium market should be allowed to sell fine gold instead of the debased product. Second, fine gold should be minted in Canada for general purchase and sale in a form suitable to the market at a price to be freely determined between the buyer and seller.

In so far as the first recommendation is concerned, Mr. Speaker, we must remember that in the autumn of 1951 the Canadian government granted gold mines permission to sell on the premium market. In doing this the government of Canada was following the lead of South Africa, but with some important differences. No restriction was placed on the amount of gold which a mine could dispose of on the premium market, whereas in South Africa the gold mines restricted themselves to marketing no more than 40 per cent of their annual production in this way. In South Africa, also, the gold had to be debased to 20 carats or less. Since January 1, 1954, the Canadian gold mines have been permitted to sell fine gold on the premium market. This is in line with the first recommendation I mentioned. I am told there has been no sale of fine gold in bullion form on the premium market since permission has been granted.

The second part of the recommendation that fine gold should be minted in Canada for general purchase and sale is fully covered by the proposed amendment suggested in Bill No. 173. However, even if we are anxious to have legislation adopted which we feel might be beneficial to the gold producers or the gold mining communities, it is our duty to make sure such legislation would have no adverse effects.

I must say that in listening to the remarks made by the hon. member for York West (Mr. Adamson) when he was moving the second reading of Bill No. 173, I was greatly interested in some of his arguments. I was particularly impressed by his remarks on how we would know what the price of gold would be. He asked whether the price would be greater or less than the present $35, and then went on to say that the price for which gold would be sold was unimportant.

I say, Mr. Speaker, if Canada is going to take the initiative in sponsoring another way of disposing of our newly mined gold as suggested in this bill, that is by the minting of one ounce beavers, then the price of those beavers on the open market is of prime importance to the straight gold producers. This is especially true if we are to surrender other forms of assistance such as the Emergency Gold Mining Assistance Act in favour of this new method of disposing of our newly mined gold. We want to be reasonably sure that the price established by this means is at least as high as that received by the mines through the Emergency Gold Mining Assistance Act.

In each and every brief presented to the Canadian government in the past by the Canadian metal mining association, provincial associations or by the Canadian municipalities, it was always mentioned that the answer to the problem confronting the industry was the price of gold. In a submission to the federal cabinet in December, 1950, by the mining association of British Columbia, the mid-west metal mining association, the western Quebec mining association and the Canadian metal mining association we read the following at page 9:

> For the gold mines, the crux of the problem is the price of gold.
>
> It is fully appreciated that this is a highly complex subject, bound up with many international and economic intricacies, and one concerning which the Canadian government is not in a position to take entirely independent action.
>
> We would however point out that as a result of the controlled and planned fixation of currencies

and the price of gold, the gold producing countries of the British commonwealth have carried the major part of the burden entailed.

As the price of gold is the crux of the problem, we would urge that attention be focussed on this crucial point in the hope that the Canadian government can help to set in motion action which will result in a price for gold which is (a), more commensurate with the cost of producing it and, (b), more commensurate with the greatly increased prices of all other commodities.

In another brief submitted to the government of Canada in October of 1952 by the Canadian metal mining association we find this at page 2:

We reaffirm our belief, previously presented to the government of Canada, that an increase in the official price of gold is a necessary step towards the permanent improvement in the conditions of world trade and offers the most effective solution of the problems which confront the Canadian gold mining industry.

And in another submission to the government on November 10 by the gold mining communities of the provinces of Ontario, Quebec, Manitoba and British Columbia, as well as of the Yukon and the Northwest Territories, we read this at page 10:

We have now come to our last suggestion,—

It will be understood that those who were representing the municipalities in those provinces had made other suggestions.

We have now come to our last suggestion, the only one which would be a permanent answer to the actual crisis: the devaluation of the dollar, or in other words the increase in the official price of gold from $35 to at least $45 per fine ounce.

If I quote at length from these briefs it is because I want to make it clear that in the opinion of those who are most interested and who, I presume, are best qualified to express an opinion, the only permanent answer to the present difficulties is a substantial increase in the price of gold.

The question asked by the hon. member for York West (Mr. Adamson) is this. Would the price be greater or less than $35? I say this question is well put. The dominating feature of the market for gold since 1934 has been the willingness of the United States government to buy it in unlimited quantities at the price of $35. Unfortunately it is too low a price for my liking. If gold were to be treated as an ordinary commodity, subject to the day to day influence of the market, I am told—and I so believe—there is a great danger that from a long-term standpoint the stable, monetary demand for it may be undermined, and that the United States and other nations may cease to look upon it as a monetary metal.

I agree with the hon. member when he says it is unlikely the United States would sell their present stock of gold at prices below $35 an ounce. But there is always the possibility that they would refuse to accept newly mined gold, or that they might sell what stock they do have when the price starts to rise above $35. This of course would entirely destroy the premium market.

Ever since the Canadian government decided to permit the mines to sell their gold on the so-called free market the premium on such sales has steadily dwindled, so much so that there is no premium now for bar gold. It is true that there is still a premium of approximately $2.50 an ounce for gold coins. But a recent Swiss court decision and the disappearance of premium markets for gold bars will have the effect of increasing the supply of coins at a rapid rate. There is also the cost of minting these coins, which has to be taken into consideration.

So the premium paid does not altogether accrue to the original producer of the gold. It is interesting to note that the total coins put into circulation during the entire time they were minted in Canada amounted to $3,480,000 in $10 gold pieces, $1,388,000 in $5 gold pieces and $3,139,000 in sovereigns, which were figured at approximately $5 each. This total was of course issued over many years, both good and bad; and even allowing for the inflation of prices in the meantime one could expect nothing like that amount to be sold in the space of, let us say, a few months or, at the most, one year.

At the moment conditions are prosperous. Faith in our currency is strong, and there are many alternative ways of holding earning assets. There is the further problem of issuing coins—these beavers—with a face value of an ounce, I understand. But, after all, people will understand that this face value is perhaps $35, and that the price would necessarily fluctuate. I am afraid that some people may buy those beavers at $37 or $38 and want to sell them, only to find that they receive only $35. In those circumstances they may blame the Canadian government for the drop in price. Under those conditions the premiums to be obtained, if at all, either in Canada or abroad, would not compare with the $3.90 an ounce given to the mine under the Emergency Gold Mining Assistance Act. Unless there is a further outbreak of inflation or some unforeseen development in the world situation it would not appear that a free market for gold pieces would add much to the revenue of the mines. Unless the United States attitude were to change or other developments were to take place in the world gold market, I am afraid this proposal might indeed have adverse effects upon the gold mines, more particularly those with a high cost of production.

We are all very anxious to do something to help the industry. The subject is of major concern to the principal gold producing provinces, but I repeat that in a more general way the welfare of an industry which has played so great a part in opening northern Canada and building up our national economy is a matter of interest and concern to all Canadians. It would certainly be a calamity if the wealth created by gold were to disappear without economic measures being taken to protect it pending an increase in the official price.

Mr. Karl A. Eyre (Timmins): Mr. Speaker, representing as I do a constituency which produces a large quantity of Canada's gold and within which are two or three communities dependent upon the production of gold for their economic existence, directly or indirectly, to the extent of about 90 per cent of their well-being, I am naturally greatly interested in the private member's bill now under discussion.

I am well aware that this bill presents many difficulties because of existing legislation, especially the present operations of the monetary fund. However, our gold mines are now operating under the monetary fund and the Emergency Gold Mining Assistance Act with modifications, and I cannot see any reason why other modifications could not be implemented with the thought in mind that any new approach to our problem might bear fruit.

If the bill now before us were put into operation to allow those mines which have chosen to do so to sell their product on the semi-free market, and other mines if they desired to do so, it would help them to obtain a better price for their product. If a mine chooses to have gold coins minted and marketed there is every reason to believe that large quantities of those token coins would be purchased for a number of reasons. An interest in gold coins might be the forerunner of the gold mining industry once again being on a self-supporting basis.

Since the inauguration of the monetary fund the Minister of Finance (Mr. Abbott) and his colleagues have seen fit from time to time to press for and have modifications extended to Canada. The first was the Emergency Gold Mining Assistance Act, which was a good act. The second was the sale of gold on the semi-free market on a restricted basis. The third was the debasing changes in the refining of gold for sale on the semi-free market.

I am sure that if the Minister of Finance and his colleagues could be convinced that the minting of gold coins would help the industry they would give every consideration to requesting further concessions for Canada from the monetary fund. What makes me confused and unable to comprehend the situation is that the House of Rothschild can purchase our gold and have gold coins minted and offered for sale. It must be a profitable enterprise or they would not be in the business. Therefore I suggest that we try the experiment of minting gold coins in connection with the mines that want to use that process, and which could operate under the bill before us.

Mrs. Ann Shipley (Timiskaming): Mr. Speaker, I should like to crave your indulgence for a moment and take this opportunity of thanking hon. members for their kind reception. I feel that I must speak on any bill that might bring about an improvement in the conditions affecting the gold mining industry. I also have the honour of representing a riding which is almost entirely dependent upon this industry.

I think it was on November 30 that the hon. member for York South (Mr. Noseworthy) made certain statements respecting this industry which I believe were quite misleading and which did not give a true picture. I intend to answer him in some considerable detail at a more opportune time, either during the budget debate or when the Emergency Gold Mining Assistance Act is before the house.

I should like to say a few words about the state of the gold mining industry, and I intend to quote from an analysis presented by the gold mining association to the provincial ministers of mines at Niagara Falls last September. This is a national problem, of course, but I do have some figures relating to my own province. Incidentally Ontario produces 64 per cent of the gold produced by all lode gold mines in Canada. During the period 1941 to 1951, 35 per cent of the operating gold mines in Ontario discontinued operations; 74 per cent of the profits of the industry have been wiped out, and there are 40 per cent fewer men employed. I am sure that is typical of the situation in other provinces where gold mining is carried on.

The people in the gold mining areas do not like subsidies any better than you like voting them. We are a proud people. We feel that we have earned the right to be proud. The people in the gold mining areas pioneered that part of the country and opened it up. They have had to pass through some rather tough periods, but we have created great new wealth for this country. Our prospectors did something that was invaluable for the country. In their search for gold they found almost every base metal

mine that has been discovered in Canada. That is something you need badly, even though at the moment gold does not seem to be such a vital metal.

Grateful as we may be for the subsidy—and do not think we are not grateful—we would prefer not to have a handout. Therefore the industry and those dependent upon it are searching constantly for some method within the national economy whereby we can get off the dole. So they present various proposals to the government from time to time, and I should like to review briefly the situation affecting gold.

Gold is different from any metal produced in Canada. It is the only commodity universally accepted as money. It is a monetary metal, and thereby is a major factor in the national economy.

In 1931 the government of Canada asked the gold producers to send all their gold to the mint, and in 1932 the Gold Export Act was passed making compliance with this regulation compulsory. This was at the time Britain went off the gold standard, and the price of gold then was just over $20 per ounce. During the period from 1930 to 1933 the average price increased each year until it reached the rate of $28.60 in 1933. In January, 1934, the United States government proclaimed the price of $35 per ounce. This was the maximum Canadian producers could obtain, regardless of supply and demand, for gold on the world market.

These measures—and I hope those of you who are not too sympathetic to our problems will note this—were taken in the national interest, and not at the request of the industry. A short time ago a limited sale of gold was permitted on the so-called premium market. The premium has disappeared, so the measure is of no further assistance.

At the time the price of gold was fixed at $35 per ounce it was adequate for the sound development of the industry and also to enable the payment of top wages, as the record will prove we did pay at that time. Today we do not receive even $35 in Canadian funds, and in the meantime everyone knows how the cost of producing anything has soared. The mining industry is certainly no exception. Gold is caught in the web of a new system of controlled currencies designed to benefit the masses, but unfortunately a relatively small group is bearing the entire load.

When I first came to Ottawa I read of various proposals made by most if not all the mining associations in Canada. I read that they were proposing such a measure as is contained in the bill before the house today. At the earliest opportunity I discussed the proposal with some of the ministers concerned, and other officers in various departments whose knowledge on the subject is great. It appears that once again the implementation of this bill would conflict with the national interest and/or with international agreements; so that if the bill cannot be adopted in the national interest, it appears we still have to be dependent for our very existence on the good will of this government.

I do not know what is the answer to this problem. I am not an economist. But I do beseech this government to continue to explore every possible avenue with vigour and determination, so that once again the gold mining industry and the people dependent thereon may stand on their own feet and continue to explore and develop the otherwise waste lands of this great country as we have done in the past.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I waited to see if any other hon. members wished to speak in connection with this bill, but I see they do not. I have listened with a great deal of interest to the speeches made by the mover of this bill and those who followed him. I am not going to take up the time of the house to deal with statements made by the mover concerning the genesis of the international monetary fund. I believe on reflection the hon. member will agree it was not communist-inspired. The people who were responsible for entering into the fund agreement were actuated by a desire to provide for stability in international exchanges, and also to provide a code of international conduct with respect to the prevention of such objectionable practices as the competitive depreciation of currencies.

One might argue that the methods adopted were wrong, but I hope hon. members will agree that none of those, including myself and my predecessor, who took part in the formulation of that agreement were either inspired or influenced by communists.

Incidentally, it is rather ironic that in this debate reference was made to Mr. Harry Dexter White as being one of those who inspired it. I am not going to refer to Mr. White. I shall leave that to the people in the country of which he was a citizen. But it is rather interesting to note that if Lord Keynes had had his way gold would have been pretty well out of the picture so far as the international monetary fund agreement was concerned. However, I am not going to take up the time of the house to

discuss that. I merely wish to reiterate what I said the other day, that I profoundly disagree with the suggestions made by the hon. member for York West.

The purpose of this bill, I believe hon. members will agree, is to enable gold to be prepared in such a form that it will be acquired and hoarded by residents of Canada. It is for that reason that I, as Minister of Finance, and the government feel bound to oppose any such measure.

One can view gold, as did my friend the hon. member for Villeneuve (Mr. Dumas) in his excellent and thoughtful speech, either as a commodity or as an essential monetary metal whose purpose is to serve in the settlement of international balances. The view of the Canadian government, of the government of the United Kingdom, of the United States and of every other great trading country is that the main purpose of gold is to serve as a monetary metal for the facilitating of international exchanges. It has, of course, important subsidiary uses in the arts; but if it were not for the fact that gold is acceptable to the great trading nations of the world in settlement of these international balances, I believe we would find that the market for gold would shrink rather drastically.

Historically, it has maintained its position as a monetary metal because it has had a fixed price, and because the treasuries all over the world have been willing to take it in unlimited quantities at a fixed price in settlement of trade balances. It is for that reason that the Canadian government has felt that a policy which would destroy the position of gold in that respect would be inimical to the interests of the gold mining industry itself. Canada is, of course, as we all know, a great trading country and we have a great many things which we want to export and sell. Conversely, we have to import and pay for a great many things which are necessary for the operation of our economy. We believe therefore that gold which is mined in Canada should not be kept and hoarded by individual Canadian citizens, but should be available for the settlement of Canada's international trading balances. If it is not available for that purpose, then so far as I am concerned it ceases to have any economic justification.

It is true that under international agreements we have with other countries, and according to practices which we have agreed upon with other countries, the domestic hoarding of gold is prohibited. It is prohibited in the United States, it is prohibited here, and it is prohibited in the United Kingdom.

The measure proposed by the hon. member would in my opinion be of no real help to the gold mining industry in Canada, and were it adopted it would obviously be quite impossible for the government to continue to assist the gold mining industry to the extent of $15 million per year, as we shall be doing this year. If a policy of this kind were adopted I do not think we could possibly justify to the taxpayers of Canada the continuance of such a policy.

I have always felt that the greatest danger to the continuance of the gold mining industry in Canada was that countries such as the United States and other great trading nations would decide that they no longer wished to exchange for gold United States automobiles, United States steel or United States what-have-you or British steel or British what-have-you. I think it is extremely important, in the interests of the Canadian economy as a whole, that we should frame our gold policy in such a way that we run no risk of incurring that highly undesirable result.

For reasons which I have mentioned, Mr. Speaker, I would have to oppose the adoption of this bill.

The Acting Speaker (Mr. Applewhaite): Is the house ready for the question?

Mr. Adamson: No. May I call it six o'clock, Mr. Speaker?

Some hon. Members: No.

Mr. Abbott: Go ahead. The hon. member can finish in ten minutes. He has already spoken for 40 minutes. He can finish in ten minutes, can he not?

Mr. Knowles: He can speak for ten minutes now and speak further next time, if he wishes.

The Acting Speaker (Mr. Applewhaite): If the hon. member speaks now he will close the debate.

Mr. Rodney Adamson (York West): Mr. Speaker, first of all I wish to put on the record certain points showing wherein I disagree with the Minister of Finance, and I think I will deal with them in the six minutes I have left, before going on with the rest of my argument as to the usefulness of gold.

While I agree with the minister with regard to Lord Keynes and gold, I certainly do not agree with him when he said that Lord Keynes was in agreement with the policy that was adopted. I want to quote just one paragraph from Professor Harrod's book, "The

Life of John Maynard Keynes". The paragraph is headed "The Last Phase", and it deals with the agreement. It reads as follows:

He—

That is Lord Keynes.

—fought hard and bitterly, but it was in vain. The American view was predetermined, and this fact was the bitterest of all. It seemed clear to him that, if the voting by nations had been truly free, as befitted an international organization, he would have obtained a majority for his principal points; but at that juncture almost all the nations were prospective applicants for benefit of some kind from the United States. Rebellion was out of the question. The Americans were "railroading" their decisions through the conference.

Mr. Abbott: Keynes only quarrelled with the important role that gold was to play in the fund agreement.

Mr. Adamson: So much for the agreement, Mr. Speaker. The book is full of disagreements between Keynes, White and others. May I also say that I did not suggest that those who went down to form this international monetary fund, the people sent from the various nations, were communists. What I suggested and I now repeat was that the officers in the international monetary fund and the people who wrote the policy were certainly communists.

Mr. Abbott: I repeat that that is not true.

Mr. Adamson: I have this evidence to give, Mr. Speaker. I wish to quote from the interim report of the United States committee on government operations, made by its Senate permanent subcommittee on investigations, subcommittee on government operations abroad, dated December 15, 1953.

Mr. Abbott: Are we going into all the United States senatorial investigations?

Mr. Adamson: No; there are just two paragraphs in my present evidence.

Mr. Blackmore: Just listen to this quotation.

Mr. Adamson: This is an official United States document.

Mr. Abbott: The hon. member has Social Credit support.

Mr. Adamson: At page 11 of this report we find the following:

It is a matter of public information that Harry Dexter White transferred from his position as assistant to the Secretary of the Treasury to the position of executive director for the United States in the international monetary fund on January 23, 1946. Shortly prior thereto, V. Frank Coe transferred from his position in the foreign economic administration, to the treasury department as director of the division of monetary research, formerly held by White. White became the first executive director for the United States of the international monetary fund and was responsible in framing a great portion of its policies and procedures. Coe succeeded White as executive director for the United States of the international monetary fund.

Mr. Abbott: Mr. Brownell gave all this in his speech.

Mr. Adamson: Will the minister please contain himself?

Mr. Abbott: Oh, I shall contain myself.

Mr. Adamson: To continue with the quotation:

Here was a crisscross of the operations of the Soviet espionage ring whereby both of these men were placed in new positions whereby they could become indoctrinated in other policies and procedures and carry with them the experience and information gleaned in the old. It was in effect a continued schooling and an expansion of the Soviet position of influence through its espionage ring without surrendering the old positions of advantage.

Then in the recommendations of the Senate committee, recommendation No. 2 is as follows:

It is recommended that as a precautionary measure, an appropriate committee of congress should make a study of the transactions engaged in by international monetary fund, while Harry Dexter White and Virginus Frank Coe were connected with it in influential capacities, to determine whether actions were taken injurious to the best interests of the United States which can now be corrected in view of the conspiratorial connections of these two faithless Americans.

I wanted to put that on the record as an official document of the United States Senate, an official United States government document published by the government printing office in Washington, D.C.

May I now call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Applewhaite): At eight o'clock the house will resume the business interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

SUPPLY

UNEMPLOYMENT—MOTION FOR EXAMINATION BY COMMITTEE ON INDUSTRIAL RELATIONS

The house resumed consideration of the motion of Mr. Abbott for committee of supply, and the amendment thereto of Mr. Green, and the amendment to the amendment of Mr. Gillis.

Mr. Knowles: Mr. Speaker, I rise on a question of privilege. According to a report in the Ottawa *Citizen*, the purpose of our being summoned to the other place at 9.45

tonight is mainly to receive royal assent to the bill providing increases in parliamentary indemnities. May I ask the Minister of Labour (Mr. Gregg), who, I take it, is leading the house, if he would consider having that matter postponed—

Mr. Speaker: Order. Can the hon. member tell me how he can see a question of privilege in what he has just stated?

Mr. Knowles: My question of privilege, Mr. Speaker, is that I think it is inappropriate and unfair to the house to interrupt a debate on unemployment for a purpose such as this; and I should like to ask the Minister of Labour—

Mr. Speaker: Order. This is not a question of privilege at all. I do not think that the hon. member can rise on a question of privilege and ask why we are going to the Senate when we have received notice that the deputy of His Excellency the Governor General is going to be present in order to give royal assent to bills. When royal assent is to take place and we have received notice to that effect, then any bill that has been passed by this house and the other house has to be given royal assent, no matter which one it is. Royal assent is not given when the house is not in session, and when we are summoned for that purpose there must necessarily be an interruption in the debate that is taking place in the house.

Therefore I do not think I would consider establishing a precedent to the effect that whenever a similar incident takes place an hon. member can rise on a question of privilege, if he happens to consider assent to a certain bill not important enough to interrupt the debate, and ask the leader of the house to advise the cancellation or the postponement of the royal assent ceremony. I know the hon. member understands that. Therefore I would ask him not to pursue his question of privilege at this time.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, so far in this debate we have had the pleasure of hearing a great many very interesting and scholarly addresses on the subject at issue, unemployment. You have also had the advantage of hearing a great many economic theories put forward which have been attributed to prominent economists of the past and the present. In some instances I think these theories were a little oversimplified; nevertheless they have been put forward. I should like to say that I think all the views that have been presented so far are noteworthy indeed, but I cannot help feeling that a somewhat fragmentary aspect of the whole picture has been presented. In order to look at the problem of unemployment properly we have to approach it in a logical and orderly way.

First of all, is there unemployment in Canada? If there is, does it exist on a scale sufficient to cause concern? Is it increasing or is it decreasing? Clearly there is unemployment in Canada, and it apparently involves somewhere between 300,000 and 500,000 people, although no one seems to know exactly how many are involved. Even the figures given by the minister are apparently subject to certain reservations, as are any statistical data, and the figure of 524,000 persons seeking jobs evidently does not mean that by any means all of these people are out of work. However, the minister did say that in the same month of last year there were 338,000 people seeking jobs.

Does unemployment exist on a scale sufficient to cause concern? Again I think the answer is yes. We have heard that unemployment is always high in January, as it is seasonal; but this year it seems, to put it mildly, to be more seasonal than usual. In a country with a population of 14 million, over half a million seeking jobs is a very high percentage. I believe it works out to almost one person in seven of the available labour force. It would also appear that unemployment is on the increase. Comparing the figures for January, 1953, with those for January, 1954, there is an increase of 186,000 in the number of persons seeking jobs. There has also been a steep rise in the number of those seeking jobs from 338,000 in December, 1953, to 524,000 in January, 1954.

I might point out that in December, 1952, a year ago last December, 237,000 people were seeking jobs, and accordingly approximately 100,000 more people were seeking jobs in December, 1953, than in December, 1952. I think it can be safely said that it is fairly clear that there is unemployment, that it is on a scale sufficient to cause concern, and that it is clearly increasing.

Second, having established that the problem exists, what are we going to do about it? This again brings up several considerations. Is unemployment more prevalent in certain industries or is it general throughout the country? What is the cause? This of course is by far the most important consideration, because if you do not know the cause it is very difficult to find a cure. Having arrived at the cause or causes, are these likely to continue? If so, will the cause or causes be aggravated in the future so as to accentuate the unemployment problem, or will they automatically clear up?

In this regard it would seem that, while the government does not admit there is any

serious unemployment at the present time, the causes that have been given so far are rather vague. It also seems to be the fond hope of the government that whatever the causes may be they will right themselves automatically.

If the causes can be determined, and if it is decided that they will not right themselves automatically, then what is the cure? In other words, what can parliament do to cure the unemployment situation that exists. I cannot agree with the hon. member for Cape Breton South (Mr. Gillis) who suggests that the government do something about unemployment right away. Unless you know what you are doing there is no point in jumping wildly in and doing a great deal. It would seem to me that the only way to find out what to do, to find out what the causes are, in what industries unemployment is more prevalent and so on, is to have the standing committee on industrial relations examine these questions at once, as has been suggested by the hon. member for Vancouver-Quadra (Mr. Green), because everybody admits that if an unemployment situation exists, as it does, it must be looked after at once.

It will not do any good to ask the government to pass a lot of laws if they do not know why they are passing them. It would be like a squirrel in a cage running around on a wheel or, as the old expression goes, "I don't know where I'm going, but I'm on my way". It would be impossible to expect the government to do something unless it had some opportunity to look into all the facts and see what should be done. I should like for a moment to suggest a few things that the standing committee on industrial relations might consider if it had the opportunity of so doing.

First of all it might consider this point. While the submission on unemployment by the Trades and Labour Congress of Canada and the Canadian Congress of Labour indicates that unemployment is general and not confined to particular industries, nevertheless from information I have received I cannot help feeling that certain industries have been hit by unemployment more than others. I refer to the farm implement industry and the textile and shipping industries. While many textile workers are not unemployed, a great many are working on short time, and I know this is the situation in a number of textile plants in my riding.

In this regard I think it would be rather pertinent if it is found that more unemployment does exist in certain industries than in others, because I believe it would give the committee on industrial relations a possible clue as to one of the more important causes of the present unemployment problem in Canada.

During this debate we have heard the economic doctrines of numerous economists put forward. We have been told the application of their various theories would cure the situation. We have heard about the effect of Lord Keynes' savings investment principle, we have heard about the effect of his equation MV-PT, which is the amount of money in the country times the velocity of money equals the price level times the number of transactions. We have heard some Marxist doctrine out of "Das Kapital", about the rich getting richer and the poor getting poorer. We have heard some reference to business cycles, which I suppose is related to Mr. Hawtrey's theories on business cycles.

The standing committee should take these various theories of the economists into consideration. I think they would be very helpful. I believe the committee should bear in mind the fact that nearly all economic theories about which we have heard are predicated upon a closed economy, or in other words, a mythical kingdom or workers' state, whichever you like, that has no connection with outside countries so far as international economics are concerned. It is also assumed to start with that the country's economic policies are solely for reasons of economics.

These assumptions, as everyone here realizes, are based upon a false premise so far as the direct, practical application of these theories to human society is concerned. In our world we have the land areas divided by man-made political boundaries into various economic as well as political units. Some of these have a great many resources and some have none. Some are suited to producing wheat, and others because of natural resources are suited to be manufacturing countries. Climate, soil and resources, all influence the economics of the different countries of the world.

In this mythical country of the economists, the part of the country best suited to produce wheat produces wheat; the part best suited to manufacturing does just that. As we all know, this is popularly known as the principle of natural advantage. It would be unthinkable in this mythical economic country for someone to try to do anything as uneconomic as growing grapes in a hothouse in Iceland when they could be grown naturally in Spain. But this is not what takes place in our world. Because of fear of war, national pride, mistaken economic thinking such as the nineteenth century doctrine of mercantilism and so on, all countries produce goods that are basically uneconomic for them to produce.

They do so sincerely because, in our present world, one has to do things however uneconomic for national protection, and so on.

As a result we all know that such things as tariffs are set up, monetary restrictions develop, and the flow of goods from place to place in the world is slowed down and sometimes even halted. There are great differences in the cost of labour because some countries, like Japan, have few resources and a large population, while other countries like Canada have huge resources and few people. There is also the question of different sociological viewpoints in the various countries. For instance, in this country now we feel that everyone should have as large a share in the national income as possible. It is no longer considered "nice" to think there should be the very rich people away up at the top, and the very poor people at the bottom. This sociological thinking makes a difference in wage rates in the different countries which, of course, further complicates the whole picture of the world economy.

At this point I should like to interject that we do not know whether Adam Smith's free enterprise, Karl Marx's communism, the Fabian socialism, Keynes' or any other theories would work, because all these theories are predicated upon a closed economy and not an economy such as we have today. It may be that all these theories would work very well in a closed economy, but we do not know because we have not tried it. We have no way of trying it out under present conditions.

Accordingly I should like to suggest that the committee on industrial relations should look to the broad international economic situation when searching out the main causes of unemployment. I believe that here lies the answer to the principal causes. For example, the sterling-dollar dilemma has cut down the sale of our farm products and cut down farm income. This has prevented farmers from buying a lot of new agricultural implements. Another example would be the heavy United States investment in Canada. I do not mean purchases; I am thinking of investment such as the buying of a lot of municipal bonds and securities. This has forced the Canadian dollar up to a premium of about 3¾ cents. When the Canadian dollar becomes that expensive to buy, people are going to purchase goods in countries other than Canada. It is quite clear that in the long run a heavy investment of foreign capital in this country will lead to heavy exports in the future of dividends, interest and so on. These are things worth considering when the committee is looking into this question. The practical aspect of this foreign investment situation will be to create in effect a large external debt which will have to be contended with in the future.

For reasons of national security I think we have to have a textile industry. However, because of the differential between wage costs in Japan and wage costs in Canada, it is almost impossible for the textile industry in Canada to compete with Japan's textile industry. Some people may say that is too bad, but on the other hand it would be equally unthinkable to remove the tariffs completely and throw out of employment the two hundred thousand textile workers in Canada. It would dislocate our whole economy, so I think you will agree that we have to have a textile industry, if only from the point of view of national defence. What would we do if war broke out tomorrow and we had no textile industry?

The same principle applies in a more limited way to the shipping industry. These are but a few examples. Again I say that we should appoint a committee, because the whole problem is extremely complicated. It cannot be dealt with by asking the government to pass a law tomorrow with respect to unemployment. The whole problem has to be investigated very carefully by the standing committee on industrial relations.

If steps are taken in this regard without very careful consideration you are likely to have a further dislocation of the economy. I think you might safely compare the economy of a country to a pile of bricks; if you pull one brick out to move it you shift every brick in the pile. It is for this reason that any study of the problem on an international scale, which also results in a finding that some of the causes of unemployment are related to things within the country and are not on an international scale, must be conducted carefully. Any steps taken must be carefully considered before they are taken.

In closing there is one suggestion I should like to make to this committee which I hope will consider this subject. My suggestion is related to an alteration in the Income Tax Act. Other members have already said, and I am sure more will say it before this debate is over, that high taxation is probably one of the principal causes of pricing ourselves out of world markets. This is quite apart from anything else, such as the high price of the dollar. I suggest, and I hope the minister will listen to this, that there should be a change in the Income Tax Act to permit a farmer to increase the rate of depreciation on farm implements. At the present time most farmers use the straight-line method of depreciation, which allows a rate of 10 or 15 per

cent a year on motor-driven vehicles. I would suggest that this be increased to 25 per cent a year for non-power-driven vehicles and up to 33⅓ per cent for power-driven motor vehicles.

I think there is little doubt that this would help the home market. It would stimulate this market so far as the farm implement business is concerned, and certainly that is one of the industries that have been hit hardest at the present time. I cannot see that it would make a great deal of difference to the economy of the country as a whole, and certainly I think it would help sell in the home market and help this industry along. Also, of course, since most farmers use the straight-line method of depreciation, if they could sell their old machines and make a little money on them from their depreciated value such amounts would not be taxable from the capital gains point of view.

In closing let me say that in my opinion the main cause of the present unemployment situation in Canada is international economic factors, not so much home factors at all. The only way we can deal successfully with a highly complicated problem such as this is to have a standing committee of the house on industrial relations which would carefully examine the causes, and do it as quickly as possible. But I do think it would be most unwise for the government to go off on a tangent and pass laws without a proper consideration of this matter. That is why I feel the house should support the amendment of the hon. member for Vancouver-Quadra.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, as the representative in the House of Commons of the constituency of Vancouver East I am keenly interested in all that has been said in this discussion of the problem of unemployment as we now see it in Canada. I have no desire to repeat the arguments and presentations already made; but I do feel there are certain aspects that have not yet been put before the house. That is my reason for speaking.

The question of unemployment is most serious to all the people of Canada, but in particular to those who are unemployed. I feel that at times the viewpoint of a member can best be put forward in a word picture. In the last two days I have been trying to find the ways and means of putting before members of this honourable house a word picture of the unemployment situation. I did not find that word picture until yesterday. Indeed I did not find it until the Acting Prime Minister (Mr. Howe) spoke. But immediately he had finished I had the word picture. I regret very much that the Acting Prime Minister, because of pressure of other business, is unable to be in his seat at this time. However, I want to give that word picture.

In order to do so I have to go back to June of 1924. In that month I graduated from high school. I did not have the funds to go to university and so, for two months, I served as a hod carrier for a bricklayer. Let me say that that bricklayer was one of the best in Canada, my own father. After that two months I became an apprentice in the trade of an inside wireman electrician. In the following five years, with the exception of about three jobs, I worked on the electrical construction connected with the building of wheat elevators. When I heard the Acting Prime Minister yesterday it suddenly came to my mind that on nearly every job on which I worked in the five years after 1924 the blueprints were signed by C. D. Howe, the consulting engineer in charge of the drafting and construction of a majority of the wheat elevators in British Columbia.

That brought to my mind an experience. I do not know exactly how many members understand the method of construction of a wheat elevator. I might explain that when you start pouring the concrete on the bins the concrete is poured continuously, and the forms are movable. Those forms are only about four or five feet long, and are operated by jacks. Once you start to pour you must keep right on going, 24 hours each day, until you hit the top of the bins, which is known as the bin floor.

I was working on one of the largest elevators in British Columbia. Again the consulting engineer was this man named C. D. Howe. On this particular job we had reached the bin floor. When you have reached that point you had to pour the bin floor slab, and this was still on a 24-hour basis. I was on the graveyard shift on the night the bin floor was poured. I believe there were about 50 of us on shift that night, including carpenters, electricians, labourers and rodmen. At about 12.30 in the morning, as the bin floor was being poured, the central bin began to collapse. We had warning because we saw the concrete on the central bin starting to sag. As it collapsed other bins started collapsing. As I say, the 50 workers on that graveyard shift had a warning. I leaped for the side and got hold of the jacks and the movable form.

We were very fortunate that night. Had it collapsed all of a sudden the 50 of us would have died. If we had not taken heed of the warning when the first bin started to collapse we would have died. Had the whole floor gone down, there would have been

the same result. Those 50 construction workers took the warning when they saw the first sign of collapse. What happened after that? Well, the entire floor did not go. Did the engineer in charge of the job go down a couple of hundred feet and start to work up? No; he took the solid foundation on the side, put heavy beams across from the top and brought the slab timber back into position.

I think that is a perfect analogy to the present unemployment situation in Canada; and the man who was the consulting engineer on that job back in the twenties is the Acting Prime Minister of Canada in the House of Commons today. What I am asking is that he and the government learn a lesson from that job. Today in Canada it is not a case of a floor collapsing on a wheat elevator construction job. We have evidence from all sides of this house that the security floor is collapsing under over 500,000 of the working people of the Dominion of Canada.

In the collapse of that centre bin the workers were reaching for security. The unemployed today are reaching out because the security floor has collapsed. If they are eligible they get unemployment insurance, but at a rate that will permit no family to live on a respectable scale. It is just like that jack which I reached for over 20 years ago. But there are those under whom the security floor has collapsed who have absolutely nowhere to turn, because Liberal governments have failed to keep the promises made in August, 1945. I shall come to that in a few minutes.

There is one point I should like to make, and if I could not make any other I would be satisfied. Can we take a warning when we see it and do something about it, or do we have a government which wants to see the entire security floor collapse before they will do anything about it? I have been absolutely amazed at the speeches I have heard from the government side of the house. They have refused to take any notice of this warning of collapse and do anything about it. I am not any prophet of gloom—

An hon. Member: Oh, no.

Mr. Winch: —but I say that when the government sees and recognizes the fact, according to the figures of the Minister of Labour (Mr. Gregg), that there are 524,000 applying for employment, that should be a warning. Mr. Speaker, when you have a warning it is time to act. We should not take a chance on a major collapse. Put the beams across from the top as they did on the job I spoke about a few moments ago.

I do not think any one of us wants to see a return of the hungry 1930's; but I do say to the government that having been given the warning which it has now of over half a million unemployed, if the government does not move and the trend continues, then its callous indifference to the situation will be an indication that it has not learned the lesson of 1929 to 1939. I know something about it.

I have listened to members of the government and have heard the way they approach this problem of unemployment. I think the best thing that could happen would be for members of the government to have to live on unemployment insurance, or to have to live for a period of time as those who are not eligible for unemployment insurance and cannot get jobs have to live. They should have lived during the depression from 1929 to 1939.

In that time we had Liberal and Conservative governments. The people of Canada were anxious and willing to work. Their only desire was to be productive and respected members of the community. But they were condemned by the free enterprise governments to a life of too little to live on and too much to die on. The youth of this country were condemned to travel back and forth across the country, not wanted and not needed. They were the derelicts of the economic system and the maladministration of the government. Because the government of those days would not take any warning as to unemployment, what was the result? We saw in our Canadian democracy the use of tear gas and police batons, and we heard Liberal mayors reading the riot act. I know. I was there.

I do not think it is right in discussing this question of unemployment that we should hear government speakers, and in particular cabinet ministers, tell the house and thereby the people of Canada that 524,000 people asking for jobs at this time is only seasonal. We are being told something which really sticks in my craw. It is unpleasant. It is not unpleasant for the government, it is not unpleasant for the cabinet ministers, it is not unpleasant for any one of us who after tonight will be receiving $10,000 a year less expenses, but it is very unpleasant, even if it amounts to only 2 per cent of our working population, for the more than 500,000 unemployed in Canada. They represent not just 500,000 unemployed; there are also their wives and kiddies. If we have any sense of responsibility whatsoever we will place ourselves in the unpleasant position of those half million unemployed and their families.

The government very definitely has a responsibility which in my mind goes back to August of 1945, at least. In August, 1945, a dominion-provincial conference was held

here in Ottawa which was called because the federal government of that day desired to rent from the provinces certain taxation fields, in return for which they would be given an annual subsidy on a certain basis. Although that conference was called for the nominal purpose of reaching a dominion-provincial agreement on the rental of provincial taxational rights, as far as the provinces of Canada were concerned they met the government in August, 1945, on the government's own proposals to the effect that they had plans for full employment and high standards of living in the Dominion of Canada.

I want to refer to the report of the plenary conference discussions held between August 6 and 10, 1945, in order to demonstrate to hon. members and to you, Mr. Speaker, that the provinces did come here with the thought that the government in 1945 had a plan for full employment, and that the government itself admitted that that was the primary purpose of the conference, not taxation agreements. In the report of the plenary conference discussions we find on page 30 a statement by Hon. John Hart, the premier of British Columbia. He made the point very clear, and I would like to quote a passage from his remarks:

> We believe that all Canadians are looking to this conference with expectancy. Events, since the frustrating days of the last depression, have greatly influenced opinions previously held on the proper role of government in the national economy. The success which has attended the management of Canada's war economy has, we believe, persuaded thoughtful citizens everywhere that much can be done in times of peace to control the effects of a disturbed business cycle; to banish the fear of unemployment and social insecurity; to maintain a high level of employment and income; and to achieve an ever-rising standard of living.

That was presented at the first plenary session by the Liberal premier of British Columbia, and I agree with his opening remarks. That was not only the viewpoint of the premier of British Columbia, but also of the premiers of the other provinces. The questions before that conference were those concerning plans for stabilization of full employment and a high standard of living, and these plans were uppermost in the minds of the federal government itself. On page 83 of the same report the Minister of Trade and Commerce had this to say:

> The dominion further proposes to pay a specific grant of 20 per cent of the cost of provincial and municipal public investment projects if
>
> (a) they have been accepted and registered by the dominion authority as fully planned projects prior to the time of execution;
>
> (b) they are executed in a period designated by the dominion authority.

Further on he said:

> In the timing of projects the dominion would concern itself only with employment considerations . . .

I would like to give one more quotation from this report, from a statement made by the then minister of labour, the late Mr. Humphrey Mitchell. He said this, as reported at page 102 of the same report:

> The dominion government in its statement on employment and income announced that the maintenance of a high level of employment and income was "a primary object of policy". The people of Canada and the provincial and municipal governments are thus assured of an active dominion policy to avoid and combat unemployment.

May I just repeat that last sentence from this statement at the plenary session of the conference between the federal government and the provinces of Canada in regard to the purpose of the conference, and what the federal government would do. I quote again:

> The people of Canada and the provincial and municipal governments are thus assured of an active dominion policy to avoid and combat unemployment.

These words were uttered, Mr. Speaker, between the 6th and 10th of August, 1945. Today we have 524,000 recognized unemployed in the Dominion of Canada. The implied policies of the federal government have never been put into effect. Let me remind hon. members—and I know what I am talking about because I was a member of the provincial legislature at that time—that when the Liberal premier came back and introduced a bill on the taxation rental agreement his speech indicated, although it was not in the contract before the legislature, that these policies enunciated by the then prime minister, the late Mr. Mackenzie King, the present Prime Minister (Mr. St. Laurent), the Acting Prime Minister (Mr. Howe) and the late Mr. Humphrey Mitchell, on behalf of the federal government, would be implemented.

Today, sir, the federal government has not yet put forward any plan or assumed any responsibility for the care of the employable unemployed, outside of the regulations on unemployment insurance. If I am incorrect I hope I shall be corrected, but I have yet to hear of the government having made an attempt to carry through its own proposals in co-operation with the provincial governments for laying out plans which could be used in times of unemployment, and on a timing established by the federal government, upon which they would pay 20 per cent of the capital cost.

Due to the failure of the government since 1945, this parliament now finds itself unprepared to deal with a serious situation. It is

serious. We have heard some rather remarkable statements on the floor of this house in regard to the situation. I was amazed to hear the hon. member for Temiscouata (Mr. Pouliot) condemning the leaders of the trade union movement and placing on their shoulders the responsibility for the present situation in Canada.

We have read in the newspapers and heard on the floor of this house statements by the Acting Prime Minister and the Minister of Labour (Mr. Gregg) to the effect that some employees are pricing themselves out of the market, and that they had better start looking elsewhere for jobs. From the cabinet benches we have heard statements to the effect that the unemployment problem is only seasonal. Mr. Speaker, the unemployment problem is not "only seasonal". I am not going to repeat the statements already made in this debate which conclusively throw back into the teeth of the cabinet ministers the statements they have made and prove that it is not seasonal. The industries they named are not seasonal industries. There is therefore something more to the problem than the seasonal factor with respect to unemployment.

The government express the pious hope that things may pick up in the spring. Mr. Speaker, a pious hope that things may pick up in the spring does not feed the stomachs of those who are unemployed today; not at all. Moreover, I do not think the government themselves really believe that statement. If so, they are more naive than I ever thought any of them were, especially a hard-headed engineer and businessman like the one who is Acting Prime Minister at the present time.

Mr. Speaker, it is no answer to say that the trade unions are to blame and that they, because of their wages and wage demands, are pricing themselves out of the market. It is no answer for the employers to say that taxes and the trade unions are pricing them out of the market. It is no answer to the unemployment situation when the government, for reasons known only to themselves, refuse to face the facts; and, Mr. Speaker, in the speeches they have made so far yesterday and today, the government are completely refusing to face the facts.

In British Columbia, within the last twelve months, the British Columbia Electric Railway Company had occasion to call for tenders for a major high-tension power line and for the supplying of the towers. Canadian companies and companies throughout the world put in bids on the supplying of these towers. The lowest Canadian tender was in the neighbourhood of $1,600,000. The contract went to Italy at a price well below $1 million. No one can say that it is the cost of wages that did that, because if the Canadian workers had given their services entirely free of charge no Canadian company could have touched that Italian tender.

That is not the only example that can be given. It is a situation that is increasing in frequency. Some three weeks ago I had the opportunity of speaking for about an hour with the president of a big manufacturing concern in Ontario. His firm employs over 12,000 workers. The president of this firm told me that recently he bid on a Canadian contract and that the firm had lost it. It went to a company in England. I understand the need for trade. But, Mr. Speaker, the president of this firm which employs over 12,000 workers told me this about that contract. He said, "If our firm had given completely free the use of our factory and machinery, the costs of administration and the raw material required, we could not have matched the price of the English firm, who are up against a 20 per cent tariff when they come into Canada on that contract". He said, "We could not have matched it". That job meant approximately 300,000 man-hours of work. If they threw in the material, the machinery and the administration they still could not touch the price quoted by the English firm.

Mr. Howe (Port Arthur): Why not? What does the rest of the expense consist of?

Mr. Winch: That is the very question I am asking. Why not?

Mr. Howe (Port Arthur): What other expenses were there?

Mr. Winch: I mentioned the previous experience in British Columbia. Even if they had thrown in their wages free they could not have touched the price of the Italian firm. That is the reason I am saying to the Acting Prime Minister that it is not just a matter of charging the trade unions with the responsibility because of their wages and their standards of living. It is a matter that cannot be decided by charging any single aspect of our economy, the worker, the employer or the government. It is a matter that is mighty serious. It comes into our own individual lives, our own provinces, our own industries; and it is tied up with what is happening internationally.

What is happening internationally? Are the governments outside of Canada now at a point where, in an endeavour to get Canadian dollars, they are doing something with which we cannot compete? They must be doing something to be able to bid on tenders

in Canada at prices that could not even be touched, in one case if the workers made no charge and in the other case if the employer made no charge for his factory, raw materials, machinery or administration.

In my estimation, Mr. Speaker, it not only shows the complexity of the situation but also the seriousness of it. It also shows the need for something being done in Canada now that has never been done before, namely the placing of the cards on the table. It is no good damning the trade unions offhand in a press report if they have a delegation down here. The government has a responsibility.

I would say this to hon. members. You believe in free enterprise. Yes, all of you do, except our own group here. I do not believe you can solve this problem under your free enterprise system. But we are living under it, whether we like it or not; and we are in parliament where we have a free enterprise government, whether we like it or not. Whether or not I believe in something new and different, on the floor of this house we have a responsibility to our constituents and to our country. What is that responsibility? It is to see that every family has the ham and eggs on the table tomorrow morning.

You believe in this system and you say it can be made to work, but it is not working when there are half a million unemployed. That is your first warning; and if you are sincere, if you believe the system can be made to work, then the way to make it work is to do something which has not been done before. It is not good enough to say, as was said by the Acting Prime Minister, that one union at least has priced itself out of the market and that the workers had better find other jobs. It is not good enough for employers to say that they are priced out of the market because of government taxes and because of the standard of living of their employees. The government has a grave responsibility.

Trade unionists are sensible men and women. They know it is useless to have a union agreement providing for payment of $2, $2.50 or $3 an hour if they have not a job at which to work. The employer cannot function if he does not have workers on the job, and the government cannot get its $4½ billion of revenue if the workers are not on the job in the industries of Canada. In my estimation there is only one sensible thing that can be done under this system and under this government. Cut out all the shadow-boxing, cut out all the flim-flam, cut out all the wishful thinking, face the situation as it is now with its warning, and get together and talk things over.

[Mr. Winch.]

You may think the trade unionists are wrong, but give them an opportunity to present their case and not have them come here to meet the cabinet for just an hour and a half. Let leaders of the trade union movement, representatives of the employers and representatives of the government, which has over-all control over what is going on in the country, sit down together, consider the case, deal with facts and see what will come out of such discussion. When I began I referred to a consulting engineering job by the Acting Prime Minister on which I worked back in the twenties. When the bin floor collapsed the engineers started from the top to repair it.

Mr. Argue: C. D. never collapses.

Mr. Winch: The security of over half a million people has already collapsed. Let us start from the top to lay plans and try to check the situation. What is the top in Canada? The top is the parliament of Canada, and unfortunately parliament is under the control of the government. The government should take action now from the top. Since 1945 they have never kept their promises.

Mr. Speaker: Order. I have to inform the hon. member that his time expired at 9.04.

Mr. Gregg: Mr. Speaker, may I rise on a question of privilege? I leave it to you to say whether it is a question of privilege. There are many things I could say about the speech that has just been made, but there is one point against which I must protest. Neither the acting leader of the government, the Minister of Trade and Commerce, nor the Minister of Labour damned the highly respected leaders of the Trades and Labour Congress of Canada and the Canadian Congress of Labour the other day, or the members of their unions.

Mr. Winch: I did not mention the Acting Prime Minister. I referred to the statement made by the hon. member for Temiscouata.

Mr. Speaker: The hon. member for Red Deer.

Mr. Winch: May I finish my sentence?

Some hon. Members: No.

Mr. Speaker: If the hon. member has the unanimous consent of the house he may do so. Is it agreed?

Some hon. Members: No.

Mr. Speaker: Some hon. members say no.

Mr. Winch: All I want, Mr. Speaker, is to finish my sentence. Let the government take—

Some hon. Members: Order.

Mr. Argue: Listen to the democrats howling.

Mr. Speaker: Perhaps I should say again that when I rose on the first occasion it was to inform the hon. member that his time had expired at 9.04. It was then past 9.06. He had already enjoyed two minutes over his 40-minute limit, and that was unanimously agreed to because no one rose on a point of order.

Mr. Winch: I appreciate your indulgence.

Mr. Speaker: When the Speaker is on his feet hon. members should not rise even to address the Chair. The hon. member asked for permission to carry on. I asked hon. members if they would give their consent and the answer was no. I should like to point out that when that answer is given the hon. member is not entitled to rise and try to finish a sentence anyway. Let us have agreement on this.

Now the hon. member for Red Deer may proceed.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, for the past two days the unemployment problem in Canada has occupied the attention of members of the house. That fact would indicate that at least a good many hon. members look upon the problem as one which has taken on very serious proportions. It occurs to me, therefore, that a duty rests upon the shoulders of each and every member of the house.

I have been somewhat amazed at certain attitudes that have been expressed with respect to this current problem. I have to ask the government a question. Just how serious must a problem of this character become before the government will characterize it as a serious problem? True, the Minister of Labour did indicate that in so far as we have one unemployed person the problem is serious as far as that individual is concerned. I agree. But looking at the matter from a national point of view I ask just how serious must the problem become before the government will consider it as one of serious proportions?

Obviously when there are from 300,000 to 500,000 unemployed in Canada it does place before parliament a problem which parliament should undertake to solve. The Minister of National Health and Welfare (Mr. Martin) tells the Canadian people day after day in literature issued by his department that they should watch for first symptoms and take action. Doctors tell you that, dentists tell you that, eye specialists tell you that. I would say that the Liberal party should do the same thing with respect to a problem of this character involving our economic ills.

I well recall, sir, that it was February of 1950 when we last debated this problem as we have been debating it for the past few days. At that time I quoted statements from the late prime minister, Right Hon. Mackenzie King, speaking in this house in the spring of 1935, at which time Canada had only 400,000 registered unemployed. The language used by the late prime minister in describing that situation was almost out of this world. I quoted it in February of 1950, but I shall not quote it again tonight. I agreed at that time with what had been said. I stated that those arguments applied with equal force in February, 1950; and I underline my conviction that they apply with even greater force today.

During this debate we have heard spokesmen for the government categorize at least part of this unemployment as being seasonal. I was rather interested in the observation of the hon. member for Oxford (Mr. Nesbitt) when he said "seasonal, yes, but apparently more seasonal than usual." Some of the unemployment has been characterized as frictional. I would have to say in this case, yes, but undoubtedly more frictional than usual. The Acting Prime Minister referred to another apparent cause for this vast army of unemployed. He referred to a slowdown in the pace of business. In my opinion that is where we should be casting our eyes at this time.

It is true that certain seasonal unemployment is normal and to be expected. It is true also that a certain amount of what we call frictional unemployment is normal and to be expected, that is at certain times of the year. But when the minister referred to an apparent slowdown in the pace of business, then I began to do some thinking. Is that slowdown in the pace of business temporary? Is it seasonal? I should like to have answers to those questions. Is it taking on certain permanent aspects which may be extremely dangerous? I have read numerous reports of late which referred to statements of men who operate or manage secondary industries in Canada. Some of their assertions have not been too encouraging. To what extent have their inventories been built up as a consequence, in part, of the Canadian people being unable to buy, thanks to heavy taxation and thanks to the heavy cost of just normal living?

I should like to see a survey of business inventories across this country. It was only two or three days ago that I was told of a certain individual who was discharged from his employment after having been with a firm

for 15 years. The firm manufactured stoves. He was not fired because of incompetency. He was not fired because of unwillingness to work. He was let out—perhaps that is a better term—because the firm had a supply of stoves which it was estimated would meet all the demands at the present rate for a period of five or six years. I wonder to what extent that sort of thing is happening across this country.

The situation today, Mr. Speaker, is to a degree parallel to the situation we had in 1950, although not in its entirety. In 1950 we faced a situation which had developed five years after the cessation of hostilities. By 1950 people's wartime savings were largely depleted. There was a very marked decline in United States purchases in Canada under the Marshall plan. There were extremely high taxes, the highest the people of this nation had ever encountered. Business had already met, in the main, the backlog of effective consumer demand for those commodities which the consumers had not been able to purchase during the war years. By February of 1950 inventories had been built up to the point where manufacturers were definitely beginning to worry.

The problem of unemployment in February, 1950, was not, in my estimation, as serious as it is today. One of the ministers, I believe it was the Acting Prime Minister, stated in this house yesterday that in March, 1950, we had 308,000 unemployed. I cannot just say offhand whether or not those were registered unemployed, but I believe that is what they would be. Three months later that figure had fallen to 129,000. I presume the Acting Prime Minister was trying to read a moral or a lesson into what happened then. Let me remind hon. members of this house that a very unusual situation developed during the late spring months of 1950. Developments in the Far East, in Korea to be specific, occurred and by June of that year war—I know some hate to call it war—broke out in Korea. Immediately the wheels of industry began to hum, particularly industry engaged—

Mr. Philpott: Will the hon. member permit a question? The figures he has just given show that the decline in registered unemployed was from 308,000 in March to 139,000 in June, one month before the Korean war broke out.

Mr. Shaw: I realize that. It was 129,000, not 139,000—

Mr. Philpott: No, it was 139,000.

Mr. Shaw: Well, it does not matter, but that was three months later. By June, 1950, it became completely obvious to all thinking persons as to what was going to happen the next day, two days later, a week later, or a month later.

Mr. Philpott: It was a surprise to President Truman.

Mr. Shaw: The fact is this. We did become involved in what I am pleased to call a war. Some others call it a police action. We did become involved in an armed conflict as a part of the United Nations. The wheels of industry began to hum. Men were invited to join the armed services, and their wages became an effective demand on consumer goods. The wages of those who were engaged in war industry became an effective demand on consumer goods. Once more our economy began to move on a more stable, yet I would argue very uncertain, basis.

We are faced with a situation today more serious economically than it was in February of 1950. I hope no one is thinking or has been compelled to think in terms of the only solution being the solution that faced us in June of 1950. Heaven forbid. But I say to you, Mr. Speaker, and to the house that it is quite conceivable nothing short of that sort of tragedy will restore equilibrium to the economy of this country.

Sometimes I am amazed at the way some persons toy with the expression "stable economy of today". In my estimation the facts prove only one thing, and that is that it is a most unstable one. Today the situation is not entirely parallel with that of 1950. However, the attitude of the government is similar; and I am fearful that unless there is a change in that attitude, difficulties of an extremely serious nature may confront the nation within a reasonably short period of time. I am not one who becomes unduly pessimistic, yet I cannot be one who is foolishly optimistic. Naturally we hope for the best, but we must face up to the issues realistically.

Very recently the Minister of Finance (Mr. Abbott) referred to a feeling of optimism based upon what he called investment plans in Canada. Well, it is true that so far as can be ascertained investment plans for the coming year are on a par with those of 1953. But let us not forget that those are nothing more than plans. Any serious economic slip, a move in the direction of recession, could almost automatically cause a change in those plans. Let us not forget that. This may not be necessarily so in respect of government investment, but it is most certainly true so far as private investment is concerned.

It is true that we have our Unemployment Insurance Act. It is also true one of the ministers has said that last year $148 million was paid out in benefits to the employable unemployed. Later on in the season I understand it also applied to the unemployable unemployed. But no one would argue, I am confident, that payments made under the Unemployment Insurance Act offer any solution to the major problem, nor would they argue that those payments did more than offer an extremely low standard of existence to the recipients.

But even more important than that, let us not forget that there were thousands who became unemployed who, for one reason or another, could not qualify for a single, solitary cent of benefit under the Unemployment Insurance Act. It occurs to me that probably the time has come when the government should give consideration to extending the coverage under that act. It also occurs to me that probably the time has come to increase the benefits payable under the act and to ease conditions of eligibility. I readily recognize the fact that in a prolonged period of unemployment the fund that has been built up under the act would become exhausted. I understand, subject always to correction, that the amount in the fund stands at about $900 million. But I am sure the Minister of Labour would be one of the first to agree that no unemployment fund could stand up over a long period of time with a heavy demand being made upon it from month to month.

I am not criticizing the Unemployment Insurance Act. I have supported it. I say it has brought help to a great many people, but it does not constitute a solution to the unemployment problem. Reference was made by the minister to the $349 million paid out last year in family allowances. True, we have supported family allowances; but no one would suggest for a moment that the amount received by the average family would even buy the bread and butter for the household, if the head of the home became unemployed. It helps, but it is not a solution. Unemployment insurance and family allowances are certainly not in themselves guarantees against recession or against serious unemployment. Many of the unemployed do not receive family allowances. Many of them have dependents. As I said a moment ago, with few exceptions the amounts paid out through family allowances are very small.

During the debate repeated references have been made to industry. I have always looked upon industry as having one specific function, namely the production of goods of the best quality it is able to produce. In my estimation industry bears no responsibility or—and perhaps I should put it this way—is not under a duty to employ people. The trend over the years both in secondary and primary industry is to utilize the most modern types of machinery, and this has had the result of causing unemployment. Industry does employ; but industry must be able to sell its product before it can employ, or if it is going to continue to employ.

Sometimes I develop a hostile frame of mind when someone undertakes to create the impression that it is the duty of industry to solve the unemployment problem. I am sure no one here would say, for example, that a farmer should be compelled to go back to the old threshing machine, or go back to the stooking of his grain, or get rid of his combine, even though the combine has displaced many men in agriculture. Industry will continue to produce, industry will continue to employ and industry will continue to sell only so long as an effective demand exists for its products.

It has been said on the one hand that a decline in trade has reduced the effective demand for our production. Let us assume that it has. Perhaps that has been as a result of the trade policies and practices of this government. Let us assume for a moment that we cannot devise a trade policy which is going to create a sufficiently effective demand to enable us to sell our real surpluses. When that situation develops employment is going to fall off, as it is doing; effective demand for production is going to decline, and a vicious cycle will have been started. I ask the government, if you cannot, through the establishment of the best trade policies which you can devise; if you cannot through the starting of national projects take up the employable unemployed and put them to work, then what are you going to do?

If the situation arises again that in the midst of the vast production of this country and our staggering productive potentiality we have several hundred thousand unemployed, then I say that trouble is going to develop. If we allow that strange paradox of poverty in the midst of plenty to prevail in this country, as it did during the 1930's, then I warn you we will be faced with a serious problem. If we are going to allow that situation to develop we may just as well throw our doors wide open and say to the communists, "Here it is; come and take it." That is just the type of invitation which in effect will be issued.

As far as I am concerned much of the responsibility rests squarely upon the shoulders of this government. After all, the

problem should not be beyond their ability to solve, because it was only last summer that they assured the Canadian people that their safety—yes, their security; yes, their happiness—could be assured only with a Liberal government in office in Ottawa. I say to you, "You led them to believe that; the responsibility therefore is yours to deliver the goods." We realize that there is a problem. You knew there was a problem last year when you told the Canadian public what you did. As I say, we the Canadian people expect you to deliver the goods.

I should like to make brief reference to the amendment and the subamendment. The amendment calls for the convening of the standing committee on industrial relations for the purpose of examining into and reporting upon the actual unemployment situation throughout Canada, and for the purpose of making recommendations to this house as to short-term and long-term methods for dealing effectively with this problem.

I take no strong exception to that amendment, although I think it fails to deal with the problem before us and to deal with it right now. We know how long it will more than likely take a committee to act. If I were indicating a long-term plan I would say, "Yes, by all means let us call the industrial relations committee; let us place this problem before it; let them go ahead and study it, call witnesses, call members of the cabinet, call representatives of labour, and go into this problem."

At the same time it is not difficult to agree with the subamendment which states that there is a serious and mounting unemployment situation now facing this country which calls for immediate action by the federal government to prevent further economic distress. We are able to support that subamendment because we agree that it expresses the fact. When that is disposed of, if it is defeated then certainly we would support the setting up of a committee. In fact if it were possible I would not mind seeing the two carried at one and the same time. Let us have the committee, but let us also let the government assume its full responsibility and meet this problem now, even though their solution may not necessarily be a long-term solution. We might get that from the committee.

Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Defence Production): Mr. Speaker, this debate has certainly served to show, if any proof were needed, the concern shared by members of the government and by all members of this house in the matter of maintaining the highest possible level of employment and a high level of industrial and economic activity in Canada. The spectre of unemployment is not a pleasant thought, not only to members of this house but to Canadians generally. The memory of that period which has come to be known as the hungry 1930's is too vivid to permit anyone to underestimate or talk down the seriousness of unemployment. There is a saying that time heals all wounds, but the memories of those years are still sufficiently green in the minds of the people of this country to make "unemployment" and "depression" terms of great seriousness.

It is therefore not unreasonable to realize that the appearance of unemployment in our economy over the last few months should create concern in this house, among labour unions and throughout the public generally. However, there is another cause for our surprise and consternation. For the past few years we have been accustomed to an unbroken rise in all indices of industrial activity in this country; and when one of those indices, the employment index, seems to falter a bit it is so unusual that we are inclined to give it more importance than would otherwise be the case.

The position today has been carefully considered in the speeches that have been made during this debate by members on both sides of the house. There is a recognition that the first essential in considering a problem of this kind is to get the facts. Without the facts it is impossible to make a reasoned and clear judgment of the problem. There has been some dispute both inside and outside the house as to the exact extent of unemployment in Canada at the present time.

I submit that a very capable and thorough summary of the facts was given in this debate by the Minister of Labour in his speech yesterday afternoon, and also by the right hon. Minister of Trade and Commerce in his contributions to the debate later in the day. These summaries constitute what I believe to be an accurate picture of the situation as it actually exists. They are the result of a study of the situation not made hurriedly but as a matter of routine by government agencies set up to make these studies continuously, and to report from time to time. The dominion bureau of statistics keeps a continuous check on conditions of employment in Canada.

I have not heard anyone during this debate suggest that in the past these figures have been proven to be materially wrong, and the figures that have been prepared on the same basis as that of past surveys, which experience has proven to have been right, indicate that there are some 280,000 unemployed persons in this country today. The

facilities of the Department of Labour have been used to look into the situation, and the minister has reported on this situation as it is viewed by that department.

The figure of 280,000 unemployed is, however, Mr. Speaker, an important figure and is one that no hon. member of this house would wish for a moment to minimize or underestimate. Many hon. members, including the Minister of Labour, speaking in this debate have properly called attention to the fact that the figure of the number of unemployed is not merely a statistic, but that it may represent real hardship and difficulty. That is fully appreciated and is a matter which is recognized by all hon. members in this house.

However, the figure itself must be placed in perspective. As was pointed out yesterday, it is very close to the percentage of the working force recognized by the labour unions and by economists as the percentage of unemployed that can be accepted as normally "frictional" unemployment.

Mr. Speaker: May I ask the hon. member to interrupt his speech at the moment, because we are about to receive a message from the Senate.

Mr. Winch: Mr. Speaker, as a matter of curiosity may I ask why the business of the house has been suspended when there has been no knock as yet on the door of the House of Commons?

An hon. Member: There will be.

Mr. Speaker: I should perhaps explain to the hon. member that at times we delay the messenger, and at other times, the messenger delays us.

THE ROYAL ASSENT

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

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act for the relief of Catherine Miller Mary Harris Dawson Coutts.

An act for the relief of Elizabeth Ann Hunter Daykin.

An act for the relief of Martha Anne Sutherland Clarke.

The Royal Assent

An act for the relief of Phyllis Best Childs.

An act for the relief of Marilyn Clerk Merlin Clarke.

An act for the relief of Kenneth Urban Lunny.

An act for the relief of Florence Bella Davis Baines.

An act for the relief of Claude Arlington Root.

An act for the relief of Lizzy Weiss Nomberg.

An act for the relief of Mildred Elizabeth Sears Leighton.

An act for the relief of Margot Landwirth Steinbach.

An act for the relief of Pauline Noel Lapointe.

An act for the relief of Joseph Philippe Marc Andre Fortier.

An act for the relief of Nancy Rachel Bonnar Barclay.

An act for the relief of Marusia Zozula Hempseed.

An act for the relief of James Alexander Stevenson.

An act for the relief of Vyvyan Holcombe Hervey.

An act for the relief of Gilberte Drouyn Serres.

An act for the relief of Margaret Alice May Plinn Cote.

An act for the relief of Stanislas Anthony Placzek.

An act for the relief of Rose Enkin Carriere.

An act for the relief of Lottie Levine Lubotsky, otherwise known as Lottie Levine Kuznicki.

An act for the relief of Solanges Laperle Desjardins.

An act for the relief of Jack Kaufman.

An act for the relief of Selma Sara Schachter Lande.

An act for the relief of Paul Joseph Simard.

An act for the relief of John McCullough Gasken.

An act for the relief of Joseph Louis de Gonzague Giguere.

An act for the relief of Jean Hunter Bercovitz.

An act for the relief of Diane Lorraine Cleveland Morgan Stewart Patterson.

An act for the relief of Elsie Eleanor Bennett Kirkcaldy.

An act for the relief of Bernice Margaret Vizzutti Charters.

An act for the relief of Archibald Christopher Mottley.

An act for the relief of Bessita Asaria Farchi Lotenberg, otherwise known as Bessita Asaria Farchi Lotey.

An act for the relief of George William Bonfield.

An act for the relief of Marjorie Joan LeRiche Dunphy.

An act for the relief of Geraldine Donovan Wilcox.

An act for the relief of Norma Mary MacKenzie Benton.

An act for the relief of Anna Smilovitch King.

An act for the relief of Kathleen Dempsey Robertson.

An act for the relief of Joyce Delia Pierce Korenberg.

An act for the relief of Alfonsas Jankus.

An act for the relief of Michael Lansky.

An act for the relief of Wilma Elizabeth Dalglish Rochon.

An act for the relief of John Cromkie Nicol.

An act for the relief of Tyrus Raymond Markham.

The Royal Assent

An act for the relief of Thelma Louise Heinz Finlay.

An act for the relief of Dorothy Joan Glegg Statham.

An act for the relief of Mary Laura Olive Coote Laflamme.

An act for the relief of Sadie Denenberg Rockman.

An act for the relief of Yukiko Takeuchi Zusko.

An act for the relief of Joan Gooderham Wyman.

An act for the relief of Guy Favreau.

An act for the relief of Elizabeth Stewart Hughes Koren.

An act for the relief of Esther Wray Carpenter Batt.

An act for the relief of Shirley Mary Davis Robertson.

An act for the relief of Carlo Castelli.

An act for the relief of Eveline Shaheen Sauvageau.

An act for the relief of George William Swinwood.

An act for the relief of Marguerite Frances Wiggins MacKay.

An act for the relief of Marie Jeannine Bisson Lecuyer.

An act for the relief of George Joseph John Louis Gustav Brisebois.

An act for the relief of Ivy Isabel Brown Wilkinson.

An act for the relief of Eileen Sybil Fels Goldstein.

An act for the relief of Liliane Bernier L'Heureux.

An act for the relief of Andrew Warden Clark.

An act for the relief of Frances Herscovitz Hershon.

An act for the relief of Mary Frances Beatrice Lord Tomkinson.

An act for the relief of Roslyn Belkin Cohen.

An act for the relief of Phyllis Mildred Brohart Stephens Mowat.

An act for the relief of Anna Lillian Montague Maye.

An act for the relief of Gerald Fry.

An act for the relief of Gordon Amos Finlay.

An act for the relief of Eleanor Mary Hastie Moon.

An act for the relief of Jean de Tonancour Racette.

An act for the relief of Pauline Frances Elizabeth Appleton Powell.

An act for the relief of Joseph Anthony Albert Britt.

An act for the relief of Violette (Labeebe) Zakaib Kenemy.

An act for the relief of Elizabeth Josephine Grant Drummond.

An act for the relief of Joseph Georges Roger Dufort.

An act for the relief of Max Wulfovitch.

An act for the relief of Jessie Moffat Luce.

An act for the relief of Julia McKenzie Clarke Smith.

An act for the relief of Phyllis Matthews Cloutier.

An act for the relief of Rose White Bishop.

An act for the relief of Victor Della Porta, otherwise known as Jack William Taylor.

[Mr. Speaker.]

An act for the relief of Edith Hersh Beck.

An act for the relief of Dorothy Amelia Hockley Burne.

An act for the relief of Dora Garoff Bernstein.

An act for the relief of Phyllis Weiss Cohen.

An act for the relief of Rose Lillian Budd Cooke.

An act for the relief of Jeanne Delattre Toubeix.

An act for the relief of Esther Smilovitch Benjamin.

An act for the relief of Shirley Ann Slayton Dubuc.

An act for the relief of Grace Mary Harrison Laycock.

An act for the relief of Lawrence Druxerman.

An act for the relief of Shirley Catherine Bradley Boyd.

An act for the relief of Ferdinand Nunes, otherwise known as Ferdinand Numes.

An act for the relief of Sarah Estephanie Debonnaire Johnson.

An act for the relief of Sarah Ida Rishikof Neidik.

An act for the relief of Harold Goldstein.

An act for the relief of Mary Kathleen Hayes MacDonald.

An act for the relief of Dorothy Elizabeth Brewin Lovegrove.

An act for the relief of Barbara Jean White Simpson.

An act for the relief of Donald George Kirk.

An act for the relief of Joseph Wilmott Albert Parmenter.

An act for the relief of Margaret Agnes Dupont Legault.

An act for the relief of Jack Merson.

An act for the relief of Philip George Ralph Anley.

An act for the relief of Rebecca Joyce Isobel Hahn Vengroff.

An act for the relief of Mary Szabowska Skowron, otherwise known as Marie Szabowska Skowron.

An act for the relief of George Arthur Crittenden.

An act for the relief of Evangeline Emma Bonner Dancsak.

An act for the relief of Reginald George Silversides.

An act for the relief of John Partridge.

An act for the relief of Jacques Labonte.

An act for the relief of Laura Solow Schwartz.

An act for the relief of Leona Kuprasz Veremchuk.

An act for the relief of Mary Bernice Patricia Mullins Coristine.

An act for the relief of Evelyn Saxe Harris.

An act for the relief of Catharina Elizabeth van de Casteel Fortune.

An act for the relief of Hazel Viola Christena Darey Moore.

An act for the relief of Leontine Pelletier Lamothe.

An act for the relief of Lillian Hazel Welch Alexander.

An act for the relief of Therese Perrier Langlois.

An act for the relief of Anita Eleanor London Lewy.

An act for the relief of Norma Patricia Cooke Campbell.

An act for the relief of Alexandra Morgoci Cucu.

An act for the relief of Daisy Helen Dean Harpes.

An act for the relief of Gerald Gaudet.

An act for the relief of Genevieve Mary Emily McGuire Carragher.

An act for the relief of Sydney Silverman.

An act for the relief of Joseph Lucien Nadon.

An act for the relief of Patricia Louise Noseworthy St. Laurent.

An act for the relief of Joseph Octave Leopold Richer.

An act for the relief of George Gerald Patterson.

An act for the relief of Marcel Berube.

An act for the relief of Gertrude MacDonald Watt.

An act for the relief of Claire Pierrette Desrochers Dixon.

An act for the relief of Fernand Laurin.

An act to approve the financial agreement between Canada and the United Kingdom, signed on the thirteenth day of August, 1953.

An act to amend the acts respecting the Northwest Territories.

An act to amend the Senate and House of Commons Act.

An act respecting the boundary between the provinces of Ontario and Manitoba.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, tomorrow we shall continue with this debate, and if it is concluded we shall go on to take the amendments to the Salaries Act; amendments to the Members of Parliament Retiring Allowances Act; and the resolution concerning the Export Credits Insurance Act.

Mr. Green: Have you the plans for Thursday or Friday?

Mr. Chevrier: I have not, at this stage.

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

HOUSE OF COMMONS

Wednesday, February 17, 1954

The house met at 2.30 p.m.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 263, for the relief of Henriette Duffy Cote.—Mr. Hunter.

Bill No. 264, for the relief of Jaroslav Jandera.—Mr. Hunter.

Bill No. 265, for the relief of Robert Alfred Denman Stencel.—Mr. Hunter.

Bill No. 266, for the relief of Madeleine Forcier Midock.—Mr. Hunter.

Bill No. 267, for the relief of Annie Bray Hodgson.—Mr. Hunter.

Bill No. 268, for the relief of Joseph Kovecses.—Mr. Hunter.

Bill No. 269, for the relief of Winifred Margery Taken Dillen.—Mr. Hunter.

Bill No. 270, for the relief of Hilda Foster Mills Henderson.—Mr. Hunter.

Bill No. 271, for the relief of Evelyn Beatrice Diggon Ferguson.—Mr. Hunter.

Bill No. 272, for the relief of Hellon May Dreany English.—Mr. Hunter.

Bill No. 273, for the relief of Ione Larson Morris.—Mr. Hunter.

Bill No. 274, for the relief of Marie Laurette Carmen Gamache Desmarais.—Mr. Hunter.

Bill No. 275, for the relief of Dorothy Agnes Louise Grant Walker.—Mr. Hunter.

Bill No. 276, for the relief of Evelyn Maud Nash Wyse.—Mr. Hunter.

Bill No. 277, for the relief of Anita Felton Corbeil.—Mr. Hunter.

Bill No. 278, for the relief of Sonia Lippman Cohen.—Mr. Hunter.

Bill No. 279, for the relief of Margaret Stuart Peniston Rex.—Mr. Hunter.

Bill No. 280, for the relief of Phyllis Adair Barker Smith.—Mr. Hunter.

Bill No. 281, for the relief of Elizabeth Louise Emmett Lightbody.—Mr. Hunter.

Bill No. 282, for the relief of Madeleine Victoria Coussement Rolland.—Mr. Hunter.

Bill No. 283, for the relief of Julia Frances Finn Radcliffe.—Mr. Hunter.

Bill No. 284, for the relief of Eileen Theresa Burgess Cowan.—Mr. Hunter.

Bill No. 285, for the relief of Christina Emmanuel Papadakis Banks.—Mr. Hunter.

Bill No. 286, for the relief of Grace Connolly Houde.—Mr. Hunter.

Bill No. 287, for the relief of Marion Elizabeth Davis Esson.—Mr. Hunter.

Bill No. 288, for the relief of Morris Goldsmith.—Mr. Hunter.

Bill No. 289, for the relief of Edith Marie Treleaven Younkie.—Mr. Hunter.

Bill No. 290, for the relief of Irene Dorothy Haselden Munn.—Mr. Hunter.

Bill No. 291, for the relief of Margaret Hosie Black Kirk.—Mr. Hunter.

Bill No. 292, for the relief of Irene Bertha Kirkpatrick Faubert dit Masson.—Mr. Hunter.

Bill No. 293, for the relief of Marie Charlotte Yvonne Gisele Giguere Larocque.—Mr. Hunter.

Bill No. 294, for the relief of Albert Pigeon.—Mr. Hunter.

QUESTIONS

EDSON, ALTA., PUBLIC BUILDING

Mr. Yuill:

1. What steps are being taken to proceed with the construction of the public building at Edson, Alberta, for which an appropriation of $150,000 was voted in the 1953 session?

2. Have tenders been called for this work?

3. If so, has a contract been let?

4. If not, how soon is it anticipated that a contract will be let?

Mr. Bourget: 1 to 4. It is anticipated that tenders will be called and a contract awarded for the construction of the public building at Edson, Alberta, early in the next fiscal year.

GRAIN ELEVATORS, ALBERTA

Mr. Hansell:

1. How many grain elevators are in each of the following Alberta towns: Vulcan, Champion, Milo, Three Hills, Innisfail?

2. What is the total elevator space in each town?

3. How many box cars were delivered to each of these towns in August, September and October, 1953, inclusive?

Mr. Dickey:

1. Numbers of grain elevators in each of the Alberta towns shown below are as follows: Vulcan, eleven (ten of which are

licensed and one is not operating); Champion, six; Milo, six; Three Hills, eight; Innisfail, eight.

2. Storage capacity in bushels is as follows: Vulcan, 1,518,000 (47,000 bushels of which is in building which is not operating); Champion, 903,500; Milo, 440,000; Three Hills, 836,000; Innisfail, 741,500.

3.

Vulcan	
August	102
September	39
October	37
	178
Champion	
August	88
September	21
October	21
	130
Milo	
August	36
September	19
October	9
	64
Three Hills	
August	32
September	31
October	92
	155
Innisfail	
August	46
September	43
October	50
	139

NO. 1 NORTHERN WHEAT PRICES

Mr. Thatcher:

1. According to the government's information, at which price was No. 1 northern wheat sold on the Liverpool grain exchange last February 1?

2. On the same date, what price was the Canadian wheat board offering to sell No. 1 northern wheat f.o.b. Fort William.

3. What is the total per bushel cost of shipping wheat from Fort William to Liverpool?

Mr. Dickey:

1. According to the best information of the Canadian wheat board, no No. 1 Manitoba northern wheat was traded on the Liverpool futures market on February 1, 1954.

[Mr. Dickey.]

2. On February 1, 1954, the Canadian wheat board was offering No. 1 Manitoba northern wheat at $1.88 per bushel basis in store Fort William/Port Arthur.

3. The cost of shipping wheat to Liverpool from in store Fort William/Port Arthur via lake and rail through eastern Canadian seaboard ports (basis currently quoted ocean freight rates) exclusive of exporter's margin, insurance costs and financing charges, is 41·547 cents per bushel.

WHEAT DRIED, 1952-53

Mr. Argue:

1. How many bushels of wheat in each grade from No. 1 northern to feed, both tough and damp, were artificially dried in the crop year 1952-53?

2. What was the total gross weight of the above grain before drying?

3. What were the total net bushels as shown by adjusted warehouse receipts after drying?

Mr. Dickey:

1. The following number of bushels of wheat grading from tough No. 1 Manitoba northern to feed, and from damp No. 1 Manitoba northern to feed, were dried artificially during 1952-53 crop year:

Grade	Bushels
Tf. No. 1 Nor.	nil
Tf. No. 2 Nor.	nil
Tf. No. 3 Nor.	1,415,643
Tf. No. 4 Nor.	647,457
Tf. No. 5	274,442
Tf. No. 6	nil
Tf. Feed	nil
Tf. No. 3 Nor. heating	34,990
Tf. No. 4 Nor. heating	2,614
Tf. No. 5 heating	4,202
Tf. No. 6 heating	2,387
Damp No. 1 Nor.	nil
Damp No. 2 Nor.	7,345
Damp No. 3 Nor.	14,993
Damp No. 4 Nor.	32,243
Damp No. 5	57,117
Damp No. 6	30,375
Damp Feed	8,687
Damp No. 3 Nor. heating	1,474

2. 152,038,140 pounds.

3. 2,478,909 bushels.

NOVA SCOTIA COAL—SUBVENTIONS

Mr. Balcom:

1. For the year ending March 31, 1953, at which ports on the St. Lawrence river was Nova Scotia coal landed, on which subvention assistance was paid?

2. What tonnage was landed at each port and how much subvention assistance was paid in each case?

3. How much Nova Scotia coal was moved by rail to the provinces of Quebec and Ontario under subvention assistance and how much was paid on rail-borne coal?

4. Was further subvention assistance paid on water-borne coal for transshipment to other points? If so, what were the total payments in respect of this assistance?

Mr. Prudham:

1. Montreal, Quebec, Three Rivers, Port Alfred, Chicoutimi, Chandler.

2.

	Tons	Subvention paid
Montreal	735,201	$1,859,001
Quebec, Three Rivers	367,406	887,972
Port Alfred, Chicoutimi, Chandler	255,228	637,658
	1,357,835	$3,384,631

Note: Due to delay in receiving monthly accounts, the subvention assistance paid does not quite relate to the tonnage landed at each port.

3.

	Tons	Subvention paid
Quebec	281,352	$601,412
Ontario	2,128	4,915
	283,480	$606,327

4. Yes, and total subvention payments on the transshipped water-borne coal amounted to $361,124.

Questions

IMPORTS OF TOMATO PRODUCTS

Mr. Lennard:

1. How many pounds of tomato products were imported into Canada during the year 1953 from (a) the United States of America; (b) Italy?

2. What was the value of such imports from each of the countries mentioned?

Mr. Dickey: 1 and 2. There is no breakdown of tomato products in external trade statistics. The Canadian imports by countries of canned tomatoes during the period January 1 to November 30, 1953, were as follows:

Country	Lbs.	Value
Italy	3,842,840	$ 538,537
United States	3,735,525	462,446
Totals	7,578,365	$1,000,983

Note: The item of canned tomatoes includes: Tomato paste and puree, tomato pulp and tomatoes other canned, but does not include tomato juice for which there are no separate figures.

FEDERAL GRANTS, ALBERTA

Mr. Hanna:

How much has the province of Alberta received in the last five years in federal grants under the following headings: (a) hospital construction; (b) tuberculosis control; (c) cancer control; (d) mental health; (e) crippled children; (f) other health services?

Mr. Robertson:

	1948–49	1949–50	1950–51	1951–52	1952–53
	$	$	$	$	$
(a) Hospital construction	14,822	576,695	638,640	711,639	1,005,215
(b) Tuberculosis control	24,648	252,001	179,455	220,001	241,001
(c) Cancer control	154,979	206,821	227,096	231,942	242,600
(d) Mental health	23,728	131,257	144,115	170,521	215,164
(e) Crippled children	—	6,310	13,480	28,056	34,516
(f) Other health grants—					
Professional training	15,616	29,663	32,077	33,219	19,394
Venereal disease control	28,673	34,527	34,262	34,844	34,939
Public health research	—	7,419	12,060	9,246	—
Health survey	9,495	19,253	10,342	—	719
General public health	35,745	143,395	192,229	176,681	312,605
Total all grants	307,706	1,407,341	1,483,756	1,616,149	2,106,153

GOVERNMENT PRINTING—UNION LABEL

Mr. Knowles:

1. Has consideration been given, at any time since June 18, 1952, to the placing of all government printing in shops entitled to the use of the union label?

2. If so, what is the result of such consideration?

3. Has consideration been given, at any time since June 18, 1952, to the use of the union label on government printing when such printing is done in union shops?

4. If so, what is the result of such consideration?

Mr. Pickersgill:

1. Yes.

2. It is the view that no properly equipped printing shop having the demonstrated skill required for the work in hand should be excluded from tendering on government work.

3 and 4. Yes. As indicated in answer given in the House of Commons on June 18, 1952.

Questions

WAR SAVINGS CERTIFICATES

Mr. Cavers:

1. What is the amount of war savings certificates which remains unclaimed at the present time?
2. Has the office of the inspector of war savings certificates a list of the holders thereof?
3. What attempts are being made to call in the certificates which are passed due and have not been cashed?

Mr. Benidickson:

1. The amount of unpaid matured war savings certificates outstanding on February 14, 1954, was $16,360,080.

2. The registrar of war savings certificates has a record of the registered owners of all war savings certificates.

3. As the last maturity date of war savings certificates is April 15, 1954, no action has been taken as yet to advise the holders of unredeemed certificates that they should present their certificates for redemption. As a large proportion of the certificates was sold on the payroll deduction plan the registrar has no record of the addresses of the registered holders of certificates purchased in this manner. Consideration will be given shortly after April 15, 1954, to some method of informing holders that all certificates have matured and should be presented for redemption.

WAR VETERANS ALLOWANCE

Mr. Balcom:

1. What is the number of veterans in each province who are in receipt of war veterans allowance?
2. What is the number of widows in each province who are in receipt of war veterans allowance?
3. What is the annual liability of veterans allowance, by provinces?
4. What is the annual liability of widows' allowance, by provinces?

Mr. Bennett:

Return at December 31, 1953:

Statistics are maintained by districts of the Department of Veterans Affairs. The following table shows the location of the 18 district offices in Canada.

1, 2, 3 and 4.

	Veterans		Widows	
	Number	Annual Liability	Number	Annual Liability
		$		$
St. John's, Newfoundland	618	541,322	125	86,468
Charlottetown,, Prince Edward Island	431	318,940	72	49,742
Halifax, Nova Scotia	2,041	1,513,521	565	347,445
Saint John, New Brunswick	1,459	1,129,648	359	209,453
Quebec, Quebec	445	333,091	142	94,119
Montreal, Quebec	2,465	1,652,512	1,191	657,768
Ottawa, Ontario	896	587,451	360	198,205
Kingston, Ontario	798	569,283	287	149,586
Toronto, Ontario	4,297	2,638,756	2,212	1,101,457
Hamilton, Ontario	1,247	805,773	667	325,394
London, Ontario	1,518	981,634	709	380,954
North Bay, Ontario	833	542,718	204	121,729
Winnipeg, Manitoba	2,466	1,537,423	841	439,574
Regina, Saskatchewan	722	469,398	162	88,057
Saskatoon, Saskatchewan	794	525,499	168	88,929
Calgary, Alberta	947	586,145	303	152,172
Edmonton, Alberta	1,054	672,840	262	146,681
Vancouver, British Columbia	7,408	4,756,679	1,808	949,465
Total	30,439	20,162,633	10,438	5,587,198

FARM LOANS—MARKET GARDENERS

Mr. Knowles:

1. Are market gardeners eligible to obtain loans from the Canadian farm loan board?

2. If so, under what conditions, and to what extent?

3. If not, for what reason?

4. Has consideration been given to amending the legislation to make such loans possible?

5. If so, what is the result of such consideration?

[Mr. Pickersgill.]

Mr. Benidickson:

1. Yes.

2. Under the conditions and to the extent set out in the Canadian Farm Loan Act.

3, 4 and 5. Answered by No. 1.

BUTTER HELD BY GOVERNMENT

Mr. Fraser (Peterborough):

What was the total poundage of 1952 butter held by the government on January 30, 1954?

Mr. McCubbin: 9,140,792 pounds.

CANADIAN WHEAT BOARD VACANCY

Mr. Argue:

1. Have any farm organizations or officials been asked to recommend a person or persons to fill the vacancy existing on the Canadian wheat board?
2. If so, what was the nature of such recommendations?
3. When will the vacancy be filled?

Mr. Dickey:

1. No.
2. Answered by No. 1.
3. Government policy will be announced at an appropriate time.

TAX RENTAL AGREEMENT, PRINCE EDWARD ISLAND

Mr. Kickham:

How much money was paid by the federal government to the province of Prince Edward Island in connection with the federal provincial tax rental agreement, each year since the coming into force of the agreement?

Mr. Benidickson:

Payments to Prince Edward Island under—

Fiscal year	Tax Rental Agreements Act — 1947 Section 7	Tax Rental Agreements Act — 1952	Total
1946-47 (Jan. 1 Mar. 31, 1947)	350,767.00	.....	.....	350,767.00
1947-48	1,226,392.08	.....	.....	1,226,392.08
1948-49	1,769,705.51	.....	.....	1,769,705.51
1949-50	1,746,287.65	400.00	.....	1,746,687.65
1950-51	2,076,004.12	13,331.07	.....	2,089,335.19
1951-52	2,156,095.49	19,109.00	.....	2,175,204.49
1952-53	688,759.88	22,738.00	3,262,630.92	3,974,128.80
1953-54 (To Dec. 31, 1953) ...	.....	.....	2,749,692.73	2,749,692.73
	$10,014,011.73	$55,578.07	$6,012,323.65	$16,081,913.45

QUESTION PASSED AS ORDER FOR RETURN

ADVERTISING

Mr. Murphy (Lambton West):

1. What amount of money, if any, was paid for advertising by (a) the Bank of Canada; (b) Trans-Canada Air Lines; (c) the Canadian National Railways, during each of the years 1950, 1951, 1952 and 1953?
2. What advertising firms handled same?
3. What amount was paid to each firm for each of the above-mentioned years?

Mr. Pickersgill: Return tabled.

MOTIONS FOR PAPERS

FLIN FLON-NIPAWIN HIGHWAY

Mr. Diefenbaker:

For a copy of all letters and telegrams which have passed between the provincial governments of Manitoba and Saskatchewan and the dominion government, since the 1st day of January, 1954, regarding federal contribution or assistance in the building and completion of the highway between Flin Flon, Manitoba and Nipawin, Saskatchewan.

Mr. Lesage: Mr. Speaker, there has been no correspondence nor have there been any telegrams since that date.

Mr. Speaker: Shall the motion be dropped?

Some hon. Members: Yes.

Mr. Speaker: Dropped.

EMERGENCY ASSISTANCE TO FARMERS, MANITOBA

Mr. Zaplitny:

For a copy of all letters, memoranda, telegrams and other communications exchanged between the government of Manitoba and the government of Canada, concerning: (a) the Prairie Farm Assistance Act; (b) emergency assistance to farmers who suffered flood losses, from June 1, 1953 to date.

Mr. Gardiner: Subject to our receiving the consent of the government of Manitoba, the motion is agreed to.

Mr. Speaker: Agreed to, subject to the statement made by the Minister of Agriculture.

TRADE

REFERENCE TO NEGOTIATIONS SUGGESTED BY RUSSIAN AMBASSADOR

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, in the light of the statement made in this city yesterday by the Russian ambassador, may I ask the Minister of Trade and Commerce (Mr. Howe) what comment the government is prepared to make as to its

own position in relation to his suggestion that negotiations take place between Canada and Russia for closer trade relations?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Trade between Canada and any country behind the iron curtain is carried on subject to permit. In other words, a permit must be issued by my department for any transaction concerning exports to those countries. There has never been any prohibition against trade in certain commodities, while there is a definite prohibition against trade in commodities that are on the restricted list. I refer to strategic materials. Subject to that reservation, if any Canadian merchant can arrange trade with Soviet Russia, his application will be considered by the department.

Mr. Fleming: Then from what the minister has said am I to take it that the government as such has no particular interest in the suggestion made by the Russian ambassador but will leave the matter to Canadian merchants?

Some hon. Members: Order.

Mr. Fulton: May I ask the minister a supplementary question—

Mr. Speaker: Order. Does the hon. member for Eglinton wish to ask a supplementary question?

Mr. Fleming: Yes, Mr. Speaker; because my question was not answered.

An hon. Member: There was no question.

Mr. Fleming: I was asking the minister as to the government's position in this matter in relation to the Russian ambassador's suggestion of expanding trade between the two countries. Is it the decision of the government, in the light of what the minister said, to leave this matter to the merchants?

Some hon. Members: Order.

Mr. Speaker: If the minister wishes to answer, all right.

Mr. Howe (Port Arthur): The government is interested in the expansion of any trade provided it does not conflict with government policy, but the government does not enter into trade directly. As I say, if there are facilities for carrying on the trade and if private Canadians wish to develop trade with Russia, the government will be glad to consider the nature of the transaction and either to issue a permit or not do so, as the circumstances warrant.

Mr. Fulton: May I ask, as a supplementary question, whether the facilities of the export credits insurance corporation will be made available for the purpose of expanding trade with Russia?

Mr. Howe (Port Arthur): That depends on the view of the insurance company in the particular transaction. It usually requires security from the government of the country receiving the goods. Whether it would approve a request for insurance is a matter for decision based on a particular application.

Mr. Fulton: The government would not issue any over-all directive to them in that connection?

Mr. Howe (Port Arthur): Mr. Speaker, the government does not tell the insurance company what to do. The insurance company has its own board of directors. It is supposed to operate as a self-contained unit. While the insurance company tells the government what it will or will not do, the government does not attempt to tell the insurance company what it should do.

PRIVILEGE

MR. POULIOT—REFERENCE TO REMARKS IN DEBATE ON FEBRUARY 16

On the orders of the day:

Mr. Jean-François Pouliot (Temiscouata): Mr. Speaker, I have to rise on a double question of privilege, and I will do so in the mildest possible manner. In the first place, the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher), at the opening of his remarks yesterday said this, as reported at page 2135 of *Hansard*:

> First I must comment on the speech which we recently heard from the member for Temiscouata (Mr. Pouliot). I am sure that the house was surprised, and certainly we in this group were shocked to hear the anti-labour tinge of his remarks.

Et cetera. I will tell my honourable and capitalist friend that there was no anti-labour tinge in my remarks because I have been pro-labour.

Some hon. Members: Order.

Mr. Pouliot: It is most unfair to make an insinuation of that kind just as it is unfair to growl when I protest against it. In the second place, what I am extremely sorry for is that the words of the hon. member for Moose Jaw-Lake Centre were taken seriously by another gentleman who in his remarks, as reported at page 2156 of *Hansard*, said this:

> It is no good damning the trade unions offhand in a press report if they have a delegation down here. The government has a responsibility.

This so far did not apply to the member for Temiscouata; and after the legitimate

protest of the Minister of Labour (Mr. Gregg) in his behalf, as well as in behalf of the Acting Prime Minister (Mr. Howe), the hon. member for Vancouver East (Mr. Winch) spoke as follows:

I did not mention the Acting Prime Minister. I referred to the statement made by the hon. member for Temiscouata.

There is no correlation between the first sentence and the second. On the other hand I will tell the hon. member that I have never been damning the trade unions, and when I have a legitimate ground for complaint against the union leaders, I take the opportunity to make it. The hon. member, who is just as brilliant as a meteor, should realize that it is very dangerous sometimes because one may vanish like a flying saucer.

Some hon. Members: Order.

Mr. Winch: The hon. member ought to read his whole speech in *Hansard*.

Mr. Speaker: Order. Hon. members sometimes rise on questions of privilege which in Beauchesne's third edition are termed "so-called questions of privilege". I do not want to address my remarks to the hon. member for Temiscouata particularly because I think that the rule in this respect is violated by members on both sides of the house.

Whenever a member feels that his remarks have been misinterpreted to the extent that it is necessary to give long explanations in order to re-establish the facts, and particularly when the debate that is going on is to be on the same subject as that on which he has already spoken and when there are amendments moved to the main motion and he may therefore find perhaps another opportunity of making another speech, I would suggest that he might perhaps wait for that opportunity and speak at length on the matter. When an hon. member is explaining a point which has been misinterpreted in one speech, it is always difficult for the Speaker to assess where the question of privilege starts and where it ends. Especially if it is a so-called question of privilege, an hon. member is not supposed to add anything to what he considers to be necessary to make his correction.

I would therefore ask hon. members not to abuse the rules by rising on what I consider to be so-called questions of privilege.

Mr. Pouliot: If you will permit me to say so, Mr. Speaker, it was not my fault if the speech of the hon. member for Vancouver East was winding and tortuous.

Inquiries of the Ministry

DRUGS

VITAMIN PREPARATIONS—INQUIRY AS TO STRENGTH

On the orders of the day:

Mr. Angus MacInnis (Vancouver-Kingsway): I should like to ask a question of the Minister of National Health and Welfare. What assurance is there that vitamin preparations on the market are up to labelled strength?

Hon. Paul Martin (Minister of National Health and Welfare): The hon. gentleman was kind enough to give me notice of this question. I am not now in a position to give a reply. I wonder if I might give one tomorrow.

FLOODS

SUGGESTED CONSTRUCTION OF DAMS ON THAMES RIVER

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Public Works, or in his absence to his parliamentary assistant. I regret that I was not able to give the minister notice of this question as I received the information just before coming into the house. The question is as follows. In view of the severe flooding conditions in the city of Woodstock on the Thames river, has the Minister of Public Works taken into consideration the question of whether or not the building of projected dams on the upper Thames river and Cedar creek should be proceeded with as soon as possible?

Mr. Maurice Bourget (Parliamentary Assistant to the Minister of Public Works): I am not aware of the situation. I am taking notice of my hon. friend's question.

AGRICULTURE

INQUIRY AS TO ANNUAL REPORT OF BOARD OF GRAIN COMMISSIONERS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. Has the minister received the annual report of the board of grain commissioners, and when will it be tabled in the house?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The answer to the first part of the question is yes. The answer to the second part is when it is printed.

Mr. Argue: When will that be?

Mr. Abbott: Ask the queen's printer.

Inquiries of the Ministry

PUBLIC SERVICE

FORT WILLIAM AND PORT ARTHUR—INTRODUCTION OF FIVE-DAY 40-HOUR WEEK

On the orders of the day:

Mr. Daniel McIvor (Fort William): On a question of real privilege, I wish to thank the Minister of Finance for including Fort William and Port Arthur in the preferred list of places where the 40-hour week will be in operation. I should like to ask the minister—

Mr. Speaker: Order. Is the hon. member now asking a question?

Mr. McIvor: I should like to ask the minister a question. Has he noticed that the parliament of Great Britain expects to increase the salaries of its members by £500 a year?

Mr. Rowe: What privilege is that of yours?

Hon. Douglas Abbott (Minister of Finance): I noticed that, Mr. Speaker.

CUSTOMS TARIFF

CLASSIFICATION OF CANNED MIXED FRUIT AS PEACHES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance? Perhaps it should be addressed to the Minister of National Revenue, but in his absence I shall put it to the Minister of Finance. It is based on a press report by Victor Mackie in the Winnipeg *Free Press.*

Some hon. Members: Question.

Mr. Knowles: Have departmental officials decided that mixed fruit is peaches for purposes of the customs tariff and thereby raised the tariff on the importation of tins of mixed fruit? If so, by what authority was this done?

Hon. Douglas Abbott (Minister of Finance): If I may say so, I think this is a question which most certainly should be put on the order paper. It requires examining the tariff schedule, it is not urgent, and I suggest that it be put on the order paper.

Mr. Knowles: Mr. Speaker, I rise on a question of privilege.

Some hon. Members: Oh, oh.

Mr. Knowles: I suggest that when it is brought to the attention of members that the Department of National Revenue has altered the effect of the tariff schedule by a departmental ruling, we have a right to get an explanation.

[Mr. Abbott.]

Some hon. Members: Order.

An hon. Member: He is making a speech.

Mr. Abbott: Order paper.

Mr. Knowles: We have the right to get an explanation of that on the floor of the house.

Mr. Speaker: I did not hear the hon. member's remarks. How can I decide if I cannot hear what is said?

Mr. Knowles: The point I was trying to make was—

Mr. Speaker: I heard the first part.

Mr. Knowles: —that when changes are made by departmental rulings affecting decisions that have been made by parliament we have a right to have an explanation from the responsible minister on the floor of the house.

Mr. Chevrier: You should not abuse the privileges of the house.

Mr. Speaker: The hon. member may ask a question, but if it is of such a technical character or involves such a lengthy reply that the minister cannot give an answer on the spur of the moment, the minister has the right not to give an answer immediately. Who is to decide? The hon. member says that it is an urgent question and should be answered immediately because a department has issued directives, but I do not think that should be taken as a barometer for deciding as to urgency. Urgency may exist in the mind of the hon. member but may not exist in the mind of the minister who has to answer the question.

Mr. Chevrier: All his questions are urgent.

Mr. Speaker: The hon. member for Winnipeg North Centre has advanced various reasons on the point of urgency, but I do not think the public interest will suffer if the hon. member puts his question on the order paper.

Mr. Abbott: Hear, hear.

Mr. Knowles: I shall do that, Mr. Speaker, but I shall put an asterisk beside the question.

SUPPLY

UNEMPLOYMENT—MOTION FOR EXAMINATION BY COMMITTEE ON INDUSTRIAL RELATIONS

The house resumed, from Tuesday, February 16, consideration of the motion of Mr. Abbott for committee of supply, and the amendment thereto of Mr. Green, and the amendment to the amendment of Mr. Gillis.

Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Defence Production): Mr. Speaker, when this debate was interrupted

last evening I had been trying to show the dangers of underestimating or minimizing the extent of unemployment which is facing this country at the present time. I said that even though it appeared on the figures prepared by the departments concerned that the extent of unemployment was very close to the proportion of the working force that has been put forward in the submission of the Trades and Labour Congress of Canada and the Canadian Congress of Labour as a percentage which might be regarded as normal frictional unemployment.

In pointing out the danger of minimizing this problem, I think it is also fair to point out the equal danger of exaggerating the extent of the problem. Exaggeration of this situation can, I believe, contribute materially to a worsening of it. The question of confidence in the state of our economy is one which not only affects business but affects consumers and many other aspects of our economic life. Not only are investors cautious in making their decisions about investment in the future of this country, as was pointed out by several speakers in the debate last evening, but also the working people, the consumers of the country, are inclined to look to the future in making their plans about purchasing the things that they may need.

If the people of Canada have confidence in the future of the economy, if they believe that they have a reasonable chance of continuing to earn decent wages and continuing to have money to pay their bills, they are going to plan to buy the things that they need, the things that other people in this country are paid to produce. So talk of depression and economic difficulties which is not justified not only undermines business confidence but undermines the confidence of consumers and has a contracting effect upon the economy as a whole.

I believe that one of the great elements in the progress that Canada has made since the war has been the confidence that not only our own investors and investors outside of the country have had in our progress and our future but also the underlying confidence that ordinary Canadians have had in their ability within this economy to make a living and to better their lot. I think that anything that is said in the house that would undermine that confidence unnecessarily does a disservice to the advancement and progress of the nation.

This debate has arisen on an amendment to the motion to go into supply moved by the official opposition and amended by the C.C.F. group. By their amendment the official opposition call for examination of the present situation by a parliamentary committee. This suggestion certainly has not been welcomed by their neighbours on their left, the C.C.F. group. While I would not agree with some of the statements that have been made by members of the C.C.F. group regarding the appropriateness of a parliamentary committee to deal with this sort of subject, I do think that in the present circumstances it is obviously not a practical or immediate solution to any problem that may exist. After all, Mr. Speaker, the job a parliamentary committee would do would be a fact-finding job. On the basis of the facts established, the committee would make certain recommendations.

If the unemployment situation which gives rise to this suggestion of study by a parliamentary committee is as serious as hon. members opposite have suggested, if there are 530,000 Canadians unemployed, ready for work and willing to work but unable to find work, then I think if they are satisfied those are the facts, we do not need a parliamentary committee but the situation calls for specific suggestions from them as to what the government should do immediately about it. If the facts are, as submitted from this side of the house, that the problem is one of 280,000 unemployed from our labour force, then I think all a committee would succeed in doing would be to prove the opposition was wrong. I do not think on those figures a parliamentary committee would be justified or would be likely to bring in a recommendation that the government should panic at this situation and introduce extreme measures to remedy the position. In other words, I submit that the suggestion that has been made by the official opposition is either too little or it is not needed at all.

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

Mr. Dickey: Yes.

Mr. Fleming: What harm could there be in having this problem studied by a committee of this house?

Mr. Dickey: That is exactly the point, no harm at all. I am submitting that the situation is either one which calls for particular action or it is one that does not require study by a parliamentary committee. These committees have other things to do which would be more valuable and would bring a better result.

Mr. Fleming: If the hon. member will permit, what other things has this committee to do at present? It has never been called to meet at this session.

Mr. Dickey: It has not been called, I think, for the very reasons which I have been stating. I admit that the hon. member does not agree because he is one of those who are supporting the suggestion, and that is simply the disagreement between him and those who do not agree with him.

So far as finding the facts is concerned, Mr. Speaker, as I submitted last night, I believe that the facts put before the house by the Minister of Labour (Mr. Gregg) and by the Minister of Trade and Commerce (Mr. Howe) are very close to an accurate summary of the situation. In addition to that, I would be rather inclined to depend upon the members of this house, who after all represent constituencies right across this country, to give the facts during this debate as they have received them from their own constituencies. A number of members from various parts of the country have spoken, but with the exception of the members who, quite properly, have brought before the house the particular difficulties being faced now by two or three specific industries, I have yet to hear a member rise and say that in his own constituency there is a general, over-all situation of unemployment that is giving him special and particular concern.

I feel that if we were faced with a general problem of unemployment there would be at least some members who would have already risen in their places and stated that as a fact.

Mr. Murphy (Lambton West): Where did the 500,000 come from?

Mr. Dickey: The fact is that the hon. members who are interrupting at the moment have had the opportunity of bringing this situation before the government. Those members who have spoken with respect to the farm implement industry, the textile industry and the coal mining industry have brought specific problems before the house. There has not yet been any suggestion that those specific problems are not receiving attention and consideration by parliament. So far as the textile industry is concerned, the first business to which this house addressed itself at the opening of this session was legislation which had been requested to meet that particular situation.

I submit, Mr. Speaker, there has been no substantiation from their own experience in their own constituencies by hon. members opposite of the kind of figures they have been putting forward. I believe that if these situations exist they would have been brought before the house. I would hope that no members are keeping information of this kind back in order to give it to a parliamentary committee.

[Mr. Fleming.]

The subamendment proposed by the C.C.F. group does take a more practical approach to the problem. It calls for action on the part of the government to meet this situation. The amendment and the speeches that have been made by members of that group are not very specific about the particular kinds of action they wish to have taken. I was particularly impressed with the speech of the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) yesterday afternoon. The hon. member opened his remarks by a reference to the speech that had been made by the hon. member for Temiscouata (Mr. Pouliot), and that reference has been dealt with by the hon. member for Temiscouata earlier today. The hon. member asked the government whether or not the member for Temiscouata was expressing government policy in what he had said. Well, I should like to ask the hon. member for Moose Jaw-Lake Centre if he was expressing the policy of the C.C.F. group in the remarks he made on this subamendment.

The hon. member started out by suggesting that there was a responsibility on the government to provide full employment. He put forward his own view as to how that should be done. I recall a speech made some years ago, as a matter of fact it was made at the university of Dalhousie in 1948 by the Right Hon. C. D. Howe, who was then minister of reconstruction and development. I believe in that speech he expressed, as succinctly and as completely as I have ever heard it expressed, the responsibility of government with respect to economic problems and the principles which have guided this government and the Liberal party in facing the economic problems of this country. I should like to put on the record what the minister said at that time. He said:

> Canada is a free enterprise economy, and the initiative for industrial expansion rests with private individuals and firms. The government will endeavour, through its policies, to create a climate within which private initiative thrives and industrial expansion is encouraged. The government will take the initiative and do what it can to co-ordinate the efforts of governmental, business and other interested groups in achieving full and effective utilization of industrial expansion in the interests of all citizens in the country. If industrial expansion and economic development is hampered by the lack of initiative the government, where the national interest demands, will take appropriate action.

I submit that that is a statement of principle and policy that is very much more in keeping with the wishes of the majority of the people of this country than some of the things that were said in this debate by the hon. member for Moose Jaw-Lake Centre and other members of his group.

Then the hon. member left the question of full employment and turned his attention to a subject that we all realize is dear to his heart. That is the subject of high taxation. He made the point that high expenditures mean high taxation; and he made what I thought was a rather extraordinary statement, that all these taxes—I think he said it was 21 cents out of every dollar earned by Canadians—were being siphoned off, and left the impression that by some mysterious means those funds disappeared, and left the economy altogether. Because he said that all this money goes out of consumption, that it is taken out of the hands of the people who would use it; and he left the impression that this was a net loss to the economy.

Well, of course, the fact that a person who earns an income has to pay some to the government means that he does not himself spend that money on consumer goods, on investments or some other purpose he might have in mind. But the point the hon. member apparently wishes either to ignore or to forget is that the money that goes to any government—federal, provincial or municipal—in taxes, and which is withdrawn from the taxpayer for governmental purposes, does not disappear. It does not go out of the economy. It has got to be used by the government that gets the money to meet its expenditures. And those expenditures are the buying of supplies, the paying of wages, and the paying of the bills for all the things governments require. And certainly in the case of the federal government many hundreds of millions of dollars of that tax money go directly back to the consumers in the form of pensions, family allowances, unemployment insurance and all that sort of thing. It goes into the ordinary stream of the economy, just as if it had never left the hands of private individuals.

My point is simply this, that when the hon. member complains about high taxation, and the fact that people who have high incomes have to pay high taxes, he is offering a perfectly valid argument, because nobody would defend high taxes as such. Certainly the government and its supporters would be the last people to want to maintain high taxes or to maintain taxation at any level higher than required.

Mr. Fleming: But that is what they have done.

Mr. Dickey: But to try to argue that the money collected in taxes somehow or another mysteriously disappears, and does not have the effect of continuing demand in the country, and that it is completely lost, is, I suggest, absolutely incorrect. It is not a matter that has any relevancy in this debate or to the underlying causes of the unemployment situation with which we are faced.

Mr. Macdonnell: Would the hon. member permit a question? Is he, in effect, advocating high taxes as a cure for unemployment?

Mr. Dickey: No; I was just coming to that. I was dealing with a particular argument, one which I presume the hon. member who has just asked the question heard, and with which he either agrees or disagrees. But the point the hon. member for Moose Jaw-Lake Centre was trying to make was that high expenditures requiring high taxation were bad for us at this time, and that they were contributing to unemployment.

The question of high expenditures was dealt with by the Acting Prime Minister (Mr. Howe) the other evening.

Mr. Rowe: Before the hon. member leaves that part of his speech would he permit me a question?

Mr. Dickey: Yes, certainly.

Mr. Rowe: Does the hon. member imply that the government can spend money they take from the people as efficiently as private individuals can spend it?

Mr. Dickey: Well, Mr. Speaker, it depends upon the individual.

Mr. Rowe: And it depends upon the government, too.

Mr. Dickey: And the government, yes. And I think the hon. member will admit that the government's record in expenditures has been—

Mr. Fleming: Profligate.

Mr. Dickey: —exceptionally good. The hon. member does not support expenditures on family allowances for example, as we do; but we believe in them.

Then the hon. member for Greenwood (Mr. Macdonnell) asked me if I thought high taxation was the answer to unemployment. I certainly would not for one moment try to suggest that it is. But I do think that government expenditures are and can be a partial palliative to unemployment; and if the hon. member does not agree that government expenditures are useful in that regard, then I presume he would suggest that the way to meet unemployment would be to reduce government expenditures. Well, that of course was the solution that was tried early in the thirties by the Right Hon. R. B. Bennett, and I think we all know the extraordinary success that it met with at that time!

Proposed Committee on Unemployment

Mr. Rowe: Mr. Speaker, on a point of privilege—

Some hon. Members: Oh, oh.

Mr. Rowe: I don't interrupt very often.

Mr. Dickey: Is it a question?

Mr. Rowe: A question of privilege; and I do not interrupt very much. But when you do not answer my question I do not propose to let you put my question. I did not suggest that you cut down all these expenditures that you are talking about. I only asked if you thought the government could spend the money more efficiently than private individuals.

Mr. Dickey: And I answered it. I answered the hon. member's question. And then I turned to the question that had been asked by the hon. member for Greenwood—but apparently the hon. member for Dufferin-Simcoe (Mr. Rowe) was not listening at that time.

Mr. Rowe: I was listening. I would not have missed much if I had not, though.

Mr. Dickey: The question is as to what action should and can be taken by a government to meet a situation of this kind. The action being taken by the government has been indicated clearly by the Minister of Labour (Mr. Gregg) and the Acting Prime Minister. They pointed out the steps under way. For example, in the recommendations made by the Trades and Labour Congress and the Canadian Congress of Labour they say that a greater encouragement to home building would provide a considerable number of new jobs. That is an excellent suggestion. The fact is, as hon. members know, that early in this session the government brought in legislation designed to encourage house building. We had a long debate in this house on it. We heard a great deal of criticism of it; but when it came to a vote very few hon. members did not support it.

Mr. Knowles: Order.

Mr. Dickey: The two congresses of labour should be congratulated on the constructive suggestions that they made in their recommendations as to what should be done. They dealt first of all with the Unemployment Insurance Act. That was approved and extended in 1950 when we were faced with a situation similar to the one we are faced with now. Since that time it has been further extended. If the facts of the situation indicate to the government that further amendments are required, I am sure there will be no hesitation in taking such action.

Then they asked for a nation-wide program of public assistance. In his remarks in this debate the other night the Minister of Trade and Commerce (Mr. Howe) pointed out that in considering the estimates for this year the government thought that this was a time when a little more money should be spent on civilian projects, and the evidence of that is in the estimates which are before hon. members, and which they can read.

Then they asked that the public works program be speeded up, which is in the same field. They asked for an encouragement of house building. I have already indicated how that is being attended to.

Then they make a far-reaching and statesmanlike suggestion when they say that consideration should be given to increasing aid to underdeveloped countries. Some hon. members may not agree that that is a direct way in which to try to meet economic difficulties and solve any unemployment problems we may have in this country. But the fact is that that kind of assistance which creates better economic conditions in other parts of the world creates new consumers who will not only be purchasers of goods and farm products produced in Canada but who will also in return send to us the kind of things that they can best produce. These expenditures are definitely the kind of expanding expenditures that are being undertaken at this time and will bring about good results.

In accordance with the principles that this government has been following, the basic solution of this problem is the expansion of trade, both internal and external.

Mr. McIvor: May I ask the hon. member a question? Does the hon. member know of the cure for unemployment in depression times that was found and practised by the Minister of Trade and Commerce in his own office when he told his own workers to come in although there was no work for them and none in sight. He told them that their salaries would be paid as usual. Does the hon. member not think that that is a good cure?

Mr. Rowe: It is a good question, anyway.

Mr. Dickey: I think it is an excellent cure. As I was saying, the fundamental cure for these problems is an expanding economy, bigger and better external trade, better internal trade and a high level of investment. The policies of this government have been designed to bring about all those three things. Perfect success cannot be expected, and nobody would consider it impossible for some reverses to be experienced; but that is the program and that is the way in which this government believes that these problems can and should be solved.

In conclusion, Mr. Speaker, I should simply like to refer to the analogy that was employed last evening by the hon. member for Vancouver East when he referred to the manner in which the present Minister of Trade and Commerce had solved particular difficulties that had arisen at one time in construction work. He paid what I thought was a very fine tribute to the abilities and the skill of the Acting Prime Minister (Mr. Howe), as an engineer, and then he said he hoped that the Acting Prime Minister would apply those lessons that he has learned to the solution of the problems that we have facing us today. All I can say, Mr. Speaker, is that it is my impression that few people have learned the lessons of their experience and know better how to apply them than the Acting Prime Minister in this house. I can assure the hon. member that it does not require his suggestion to have the Minister of Trade and Commerce and his colleagues apply to the solution of this problem and the other serious problems that from time to time face the people of Canada and the government of Canada the experiences and the knowledge and the abilities that they have found from their long and useful life in this country in many fields, and not the least their contribution to the public life of this country as members of the government.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I had hoped this afternoon when the hon. member for Temiscouata (Mr. Pouliot) rose that it was for the purpose of explaining that he had been gravely in the wrong yesterday and that he was asking to have expunged from the record the statement which should never have been made by any hon. member at any time in this house. The hon. member for Temiscouata rose on a question of privilege, and objected to a statement that had been made in this house which represented nothing more than a debatable point of view but left untouched and still on the record the most shameless, unjustified and improper statement that has been made in this house since confederation. Let me read what the hon. member said, as reported at page 2132 of *Hansard*:

> I remember when Mr. Bennett was the leader of the government. Before he came to that position he himself created unemployment, and for a good reason. He and his chief organizer in 1929—the year that has been referred to by the hon. member for Prince Albert (Mr. Diefenbaker)—each subscribed $350,000 to the electoral funds and they invested that money in brokers' offices. The leader of the Conservative party—it was not progressive at that time—used to say: "Conditions are bad; we have unemployment, but I will cure that." Every time he spoke of unemployment and said that conditions were bad in this country, the stocks were getting lower and lower and he was making more money because he was speculating on the fall in price. Finally, when he had realized an amount which was as much as his investment, he succeeded. He used that money to win the election.

Mr. Rowe: Shame!

Mr. Drew: Mr. Speaker, it is difficult within moderate terms to refer to a statement of that kind reflecting on an earlier prime minister of Canada. That is a gross, untrue and malicious suggestion, without an atom of foundation, against a former prime minister and an associate of his who was a member of the other house of the Canadian parliament.

It is one of the great, cherished and priceless possessions of this democracy of ours that we can disagree in political affairs and yet respect the position of prime minister, which is the highest office in the gift of the people of Canada. If there was an inappropriate time for those malicious, unfounded and untrue remarks to be made, it was at a time when we have so recently been reminded of the extent to which the members of this house are prepared to go in wholehearted sincerity in paying their tribute, without any difference of party, to the office of prime minister, which is an office occupied by a man chosen by the people of Canada in a free vote.

Here in this very chamber, within recent days, we have seen an expression of that uniform respect for the high office of prime minister by which we not only indicated our respect for the institution, but also sought to extend to other countries a clearer understanding of our concept of a decent democracy.

Certainly there were disagreements with the views held by the prime minister of that time, as there are differences and very great differences of opinion as to the views held by the present Prime Minister (Mr. St. Laurent). But, Mr. Speaker, it has been customary to have some regard to the fact that allegations that would not have been made while a person is alive will not be made when that person is no longer here to answer them and deal with them. If the hon. member had displayed the courtesy and the courage to make statements of that kind when these men were alive and to leave the implication which he left, then I am not in any doubt about the way in which that would have been dealt with if the man against whom these allegations were made had been here in this house to deal with them. Nor am I in any doubt about the way they would have been dealt with by the member of the other house of this parliament if those statements had been made outside, where they were not under the protection of this House of Commons.

The implication contained in these words is an implication that the prime minister of Canada and a close associate of his were deliberately affecting the Canadian stock market for the purpose of making money. There was the implication that he used his high office without reference to the agony which was being suffered by so many people in this country, and that he was making personal profits for his own advantage out of that agony and through the use of his high office in reference to it.

Mr. Pouliot: Mr. Speaker, I rise on a question of privilege. I was not here, but a friend of mine told me the Leader of the Opposition (Mr. Drew) was making a great speech. I do not know to whom he is referring but he is looking at me with a great frown, and I wonder if he is addressing me through the Chair.

Mr. Drew: Mr. Speaker, the hon. member, I am sure, is well aware that I am referring to the hon. member for Temiscouata (Mr. Pouliot), whose words I quoted a few moments ago.

Mr. Pouliot: Well, now, sir, I rise on a question of privilege. I have known Mr. Bennett much better than his successor has ever known him and—

Mr. Drew: Mr. Speaker, on this occasion I must insist that the hon. member's remarks be directed to a question of privilege and not an interjection of something that is only interfering with what I am saying on this occasion.

The Acting Speaker (Mr. Applewhaite): I have risen to hear a question of privilege. Will the hon. member please state his question of privilege as briefly as possible so it may be dealt with.

Mr. Pouliot: I have two facts to put to you, sir. In the first place, when I said I had known Mr. Bennett better than the present leader of the Progressive Conservative party ever did—

Mr. Drew: Mr. Speaker,—

Mr. Pouliot: Just a minute. Please sit down.

Mr. Drew: Mr. Speaker, on this occasion I must insist on the hon. member's remarks being—

Mr. Pouliot: But Mr. Speaker,—

Some hon. Members: Order.

An hon. Member: Sit down.

The Acting Speaker (Mr. Applewhaite): I would like the house to assist the Chair in deciding whether a question of privilege has been raised. I have not yet been able to hear the hon. member complete his first sentence. I shall do my best within my limited powers to hold him to his question of privilege, but I would like him to be given the opportunity to state it.

Mr. Pouliot: Thank you, sir. You are acting in accordance with the finest British traditions which you and I know, and which are ignored by some people of great importance. Now, Mr. Speaker, history is the science of the past and in order to refer to some historical facts, one must necessarily turn back to the past.

Some hon. Members: Order.

The Acting Speaker (Mr. Applewhaite): Order. I am sorry, but I am not of the opinion that a review of historical facts, or even the accuracy of arguments which may be advanced from either side of this house, constitute a question of privilege and I would ask the Leader of the Opposition to continue his remarks.

Mr. Pouliot: No, sir, excuse me. I rise on a question of privilege and I am explaining it to you. What I am referring to, sir,—

Some hon. Members: Order.

The Acting Speaker (Mr. Applewhaite): I have given the hon. member two opportunities to state his question of privilege.

Mr. Pouliot: I have not had a chance to say anything, Mr. Speaker.

The Acting Speaker (Mr. Applewhaite): In my opinion the hon. member's remarks do not refer to a question of privilege and I am asking the Leader of the Opposition to continue his remarks.

Mr. Pouliot: Well, it is most unfair.

Mr. Rowe: So were you.

Mr. Drew: I am unaware of any occasion when the hon. member for Temiscouata has made the allegations he made here yesterday while Mr. Bennett was in this house, and I am unable to find any occasion where he made the same allegations in regard to either of these two men whose names he mentioned in the speech from which I have quoted this afternoon.

Mr. Pouliot: I have said it in his lifetime here in this house.

Mr. Rowe: No, you did not. I have been here during that time and you never said it in your life. You were afraid.

Mr. Pouliot: You were never here.

The Acting Speaker (Mr. Applewhaite): Order.

Mr. Drew: I would point out that Lord Bennett had not only sat in this house as prime minister of Canada, but had held other positions, and continued to serve in many capacities until the time of his death in 1947.

Senator McRae was a member of the other house of parliament until 1946 when he also died. This is an extremely late occasion to be making allegations of this kind. There is, however, something more that should be remembered when allegations of this kind are made. Only within the past few days we were told how important it was in these difficult days, when our democratic system is under challenge, that respect for our institutions be preserved by everything we do. The present Prime Minister, who was here then, used that argument in dealing with certain matters then before the house. He pointed out how careful we should be to do nothing that would reflect upon the members of the house, the dignity of the institution of parliament or the manner in which the affairs of either house of parliament might be conducted.

This is a statement that two men, sitting as members of parliament, one in each house and both in this parliament at the time, played upon the public feelings, created fear by speaking of unemployment and, in doing so, affected the stock market for their own personal advantage. There was a place where statements of that kind were made in the lifetime of those two gentlemen who are no longer with us. They were made by the communists in 1930. The communists made those statements reflecting on the integrity of the man who was leader of the opposition and then prime minister of Canada. They made those statements about Senator McRae. They are not expected to have any regard for the truth. Above all, they were not sitting as members of this house, with some direct sense of responsibility for what takes place in this house.

I have already expressed my regret that when the hon. member for Temiscouata (Mr. Pouliot)—with whom I have had such cordial relations and whose genial personality sometimes excuses his irrelevancies—rose on a question of privilege at the beginning of the sitting this afternoon, he did not ask to have these offensive remarks expunged from the record but instead of that, on a question of privilege, sought to justify these untrue and improper remarks.

This statement was made yesterday in the House of Commons with regard to a man who was a former prime minister of Canada. Here in this house we have recently been emphasizing our own respect for our traditions and for the office of prime minister. I ask the Acting Prime Minister (Mr. Howe) here now to show some measure of consistency with regard to what was said so short a time ago and to dissociate himself and the government from these improper, offensive and disgraceful remarks that now stand on the record.

Mr. Fulton: And they are untrue.

Mr. Drew: They are untrue. They are an offence to parliament. They are an offence to the memory of two great men. Whatever difference of opinion there may be with regard to the political views of the man who was then prime minister of this country during extremely difficult years, let us make it perfectly clear that he did not create the depression. Even if anyone must stray so far from the facts as to make statements of this kind, let him at least keep the surrounding facts in some sort of proportion. The charge is not only improper. It is fantastically ridiculous. Just imagine, Mr. Speaker, the full implications of the unintentional tribute that has been paid by the member for Temiscouata to the man who was prime minister of Canada. According to the member for Temiscouata, so great was the impact of his words that, the moment he spoke, the stock exchange of New York responded to the effect of what he said, apparently long before he said it. No, Mr. Speaker, it was not in 1930 that the depression came. When the member for Temiscouata today rises and tries to leave the impression that there was even some colour of accuracy to the remarks he made, and when we are reminded that this suggestion is being made once again that Mr. Bennett brought on the depression, may I quote a man who has not usually been regarded as an extreme Tory. I refer to Mr. Bruce Hutchison. I am quoting from page 149 of "The Incredible Canadian". I might say it is under the heading "A Spell of Blindness". I quote from page 149:

> King maintained his former policies and floated with the golden tide. He was deceived by the general deception. It is perhaps the most incredible fact of his life that he accepted the mythology of the great boom. The student of history and economics, the rebel against capitalism, the Liberal heretic who had long foreseen where his law of competing standards would lead went temporarily blind. The Conservative prediction of disaster had proved so absurd, the "whispers of death" had been so drowned in the rattle of the tickers that, for the moment, King seemed to imagine that the good society of his dream already was coming to life . . .

Mr. Rowe: They are following the same blindness today.

Mr. Drew: Mr. Speaker, since these inaccurate statements are made may I remind you that the words I have quoted are the

words of a man who wrote the life of Mr. King and who, whatever disagreement there may be with some of his statements, has certainly not been guilty of being too critical of the Liberal party. Those are his words, not mine.

The economic disaster that preceded world-wide unemployment came to this country while a Liberal government was in power. The stock market crash came in October of 1929. That was not the beginning of the economic storm. That storm began in this country three years previously, with the accumulation in western Canada of the surplus which had not been disposed of. This was a progressive problem which had been examined and discussed, and those who were so critical in those days of the warnings that were given were the men who right up to the break on the stock market in October of 1929 were talking of unending prosperity in this country. No, Mr. Speaker, I leave that statement of the hon. member for Temiscouata (Mr. Pouliot) there, but I leave it there in the hope that he will reconsider his position, that he will recall the number of occasions on which he has indicated his respect for the institution of parliament, and that he will on second thought decide to ask unanimous consent to expunge from the record words that can only be a reflection on his own place here in parliament and which certainly should be disavowed without any hesitation by the Acting Prime Minister (Mr. Howe) in view of the uniform respect we all demonstrated so short a time ago for the great office of prime minister of Canada, whoever may occupy it.

Now, Mr. Speaker, while the Acting Prime Minister is temporarily absent from the house, there are other ministers here. Whether or not they care to take the course open to them, they can at least convey these remarks to the Acting Prime Minister.

Mr. Pouliot: Mr. Speaker, may I ask the hon. gentleman if he is through with that part of his speech?

Mr. Drew: Mr. Speaker, it will be quite clear when I have concluded the remarks I propose to make.

Mr. Pouliot: I rise on a question of privilege. According to the British parliamentary tradition, no member of parliament is supposed to be abused by anyone else. I was not here when the hon. member started his speech and a friend of mine told me that he was lecturing me about what I said yesterday. Sir, I must not make a long speech—

Mr. Drew: You are not allowed to make a speech at all.

[Mr. Drew.]

Mr. Pouliot: —but I must defend my position. The hon. gentleman challenged me—

Mr. Speaker: Order.

Mr. Rowe: He is making a speech.

Mr. Speaker: The hon. member has not chosen the right time to defend his position. The Leader of the Opposition now has the floor. If the hon. member wishes to ask him a question and he agrees he shows his agreement by resuming his seat. Then the hon. member may ask his question. The hon. member for Temiscouata proceeded to ask the Leader of the Opposition a question. The Leader of the Opposition did not give his consent, and then the hon. member for Temiscouata rose on a question of privilege. From what he has said so far I gather that what the hon. member wants to do is to defend his position, and this the hon. member must do later. If by defending his position the hon. member means that he wants to correct a misinterpretation by the Leader of the Opposition of certain statements that the hon. member made when speaking yesterday, I am afraid he will have to wait until the Leader of the Opposition has concluded his remarks or until the amendment to the amendment is disposed of. He can then take advantage of his right to speak on the amendment, or perhaps later on the main motion, whenever he wishes, but at the moment he cannot interrupt the speech of the Leader of the Opposition on a question of privilege so as to defend his position. He will have to do that at a later stage.

Mr. Drew: Mr. Speaker, I would point out that the hon. member was in the house earlier and that if he was absent during any part of my remarks it is most certainly not my responsibility. He has been in the house during the major part of my remarks and is fully informed as to the import of what I have been saying.

Mr. Pouliot: That is why I want to answer you right away by telling the truth.

Mr. Brooks: That will be an experience for you.

Mr. Pouliot: I have always spoken the truth.

An hon. Member: Dirty Tories.

Mr. Pouliot: No, Progressive Conservatives.

Mr. Speaker: Order. Since the hon. member was not allowed to intervene in the debate at this time may I suggest that no reference should be made to the fact that he was not able to do so.

Mr. Drew: Mr. Speaker, it must be remembered that the remarks to which I have taken exception were directed to a situation in

this country which is causing a great deal of concern in the minds of many of our people, no matter what the attitude of members of the government and its supporters may be. One of the very disturbing aspects of the kind of statement made by the hon. member for Temiscouata is the extent to which it demonstrated an hon. member may be prepared to go to divert attention from the real subject that is before us for consideration. Only this morning I heard a report over the radio from a station in the United States as to the great concern that is now felt there as a result of the fact that more than 3 million people are unemployed. They regard that as a serious situation. I must say there is no evidence that their government is brushing the matter aside and trying to dismiss it as something that does not exist.

On the contrary, the president of the United States appointed a commission to inquire into the situation and to make recommendations both for a short-term and long-term solution of these difficulties as well as to recommend any immediate steps that should be taken. It was not suggested there that this was a means of shelving the issue. The commission was welcomed as evidence of the fact that they were really tackling the problem, and already certain recommendations have been made. I would point out, however, that on a proportionate basis 3 million unemployed in the United States would mean less than 300,000 here. From the earlier figures of the Department of Labour we already know that our figures of unemployment are much higher than that, so that even on the last figures presented to us by the government unemployment in Canada is substantially higher proportionately than in the United States. If there is cause for concern in the United States, there is still greater cause for concern here.

Mr. Dickey: Would the hon. member permit a question? Is he aware that the figure given in the house as the number of unemployed in Canada at the present time is 280,000?

Mr. Drew: I am well aware that during the course of this debate members of the house for the first time heard a figure of 524,000.

Mr. Pickersgill: Not unemployed.

Mr. Drew: Members of the house were told that there were 524,000 applications with the government agencies.

Mr. Rowe: There are 528,000 now. They have gone up by 4,000.

Mr. Drew: If it is 528,000, that is accepting the upward correction, this government needs to correct itself every day. Apparently there has been an increase in the last few days. We are indebted to the Secretary of State (Mr. Pickersgill) for the information. The figure is now 528,000, according to the Secretary of State.

It is not sufficient, Mr. Speaker, to make a general statement such as the Minister of Labour (Mr. Gregg) has made, to suggest that the figure really does not represent unemployed. The minister knows quite well that there are many unemployed whose names are not included in the 528,000. The minister is well aware that some of those people who until recently were working in the textile mills in his constituency probably will not be found on the list at the employment agency in Fredericton. The reason for that is obvious. Many people, when they become unemployed, start out on their own to seek employment in a way that people in this country can do. No; if we had no reason for asking for an inquiry that would give us the facts, it has been furnished to us by the production of these figures during the course of this debate.

These are not the only figures which cannot be lightly dismissed. They serve to confirm in substantial measure the figures given by representatives of the Trades and Labour Congress and the Canadian Congress of Labour in Ottawa last week. Our position is one which should be acceptable to the government. We say to the government, and to the supporters of the government, your figures are at variance with those presented by the representatives of the two largest groups of organized labour in Canada. We want to know what the facts are. While the debate on this motion is under way the Minister of Labour confirms the fact that we have a great deal of information to obtain, because he tells us that the figure is in excess of 500,000. This afternoon the Secretary of State told us the figure was 528,000.

Mr. Pickersgill: On a question of privilege, Mr. Speaker, I made no such statement whatever.

Mr. Drew: That voice, Mr. Speaker, had a strange similarity to the voice which so often interjects remarks delivered by a man who does not yet seem to realize that he is down on the floor of the house and not in the gallery.

Mr. Abbott: Toujours la politique.

Proposed Committee on Unemployment

Mr. Drew: We certainly heard the interjection from one of the front row seats or close to the front row seats, giving the figure of 528,000. If that is not correct, then all the more reason we should have this inquiry to find out what the figure is. At any rate, apart from the argument as to who made the statement, the fact remains that the Minister of Labour has told us there are over 500,000 applications.

Unfortunately we have found we cannot rely entirely on all the statements that are made. For that reason the examination by a committee would be highly desirable. We find, for instance, that in this debate on February 15 the Acting Prime Minister (Mr. Howe) said, at page 2105 of *Hansard* for that day:

> The next important factor is the prospect for exports. There again I believe we can look for another good year. The final figures for 1953 show a decrease of 3 per cent in value of exports but, as a matter of fact, in volume the last year was a record year for exports, being even greater than 1952.

Just a few days ago we received the annual report of the Bank of Canada, and page 15 shows the figure for both price and volume was down not 3 per cent but 2 per cent to 98. The Minister of Trade and Commerce could have turned to another statistical report prepared by his own department. We find in a report of the dominion bureau of statistics dated February 5 the statement that lower average prices and reduced volume both contributed to the decline in value of 1953 exports.

I point out that the Acting Prime Minister naturally might make a mistake of that kind. It does not substantially affect some parts of his argument, but since we find this inconsistency between his statements and those of the Bank of Canada and the dominion bureau of statistics, it does indicate why there should be an inquiry under the ordinary parliamentary practices to ascertain what the facts actually are.

One of the difficulties with which we are all confronted is the similarity of the appeals that are now being made not to discuss these facts because they might disturb the public mind. The fact is that the government supporters do not want to have the facts really disclosed to the public. We want the facts out in the open. I submit, Mr. Speaker, it is the duty of members to get those facts before them, and not try to brush off this situation or dispose of it in any way. Will the Minister of Labour tell us that unemployment is unreal in Fredericton today? Will the Minister of Labour go to Fredericton and tell the people who no longer have employment in the textile plants that they had better move to places other than Fredericton to get work? That is the answer the textile workers have received when this question has been brought up.

We do not ask that anyone jump to any conclusions. We simply ask that a well-established procedure be followed to obtain the facts. What we are concerned about is the state of mind represented by the speech made here this afternoon by the parliamentary assistant to the Minister of Trade and Commerce (Mr. Dickey). Everything in the garden is lovely, according to him. Apparently people who are out of employment are only imagining it. Apparently the difficulties some industries are now encountering are really nothing but a passing inconvenience. Apparently the impact of surpluses of wheat and other foodstuffs is really not something that should be talked about, except of course when the Acting Prime Minister goes to Winnipeg. It is improper for anyone else to talk about it, because somebody might get concerned. That was the attitude of the Liberal government that was in power when economic disaster hit this country.

As a matter of interest, because it illustrates so clearly that state of mind we do not wish to see perpetuated, may I read a few words from the speech from the throne delivered on February 20, 1930, while a Liberal government was in power. These were the words spoken by the governor general of that day; and remember, this was after the economic storm had broken. This was after that great depression, as we have heard it described, had actually begun, and during the time a Liberal government was in power. Let me read those words of the governor general on February 20, 1930. This is what he said:

> It affords me much pleasure to greet you at the commencement of another session of parliament, and to be able to congratulate you upon the continued prosperity of the country. The year 1929 was the most productive year in the history of Canada. In industries, other than agriculture, employment reached the highest point on record; new construction was the largest known. Mining production was of unequalled value. Manufacturing production surpassed all previous records. There was vast increase in the development of hydro-electric power. The products of our fields and our herds reached higher standards of excellence and quality than at any previous time. The dominion is already recovering from the seasonal slackness evident at the end of the year, and it is not to be forgotten that the bulk of the 1929 wheat crop still remains in Canadian hands for final disposition.

Now, Mr. Speaker, these words are not taken from any recent speech; these were words prepared by the Liberal government of that day, to be read by the governor general.

Mr. Rowe: They must have copied it this year.

Mr. Drew: I had not been previously aware of the place from which some of the words we have been hearing recently had been taken. Remember, these words were put in the mouth of the governor general at the time the economic storm had already hit this country.

Mr. Rowe: There had been several suicides, too.

Mr. Drew: But again we have the appropriate words of Bruce Hutchison: "There was a spell of blindness". All we are trying to do is take off the blinkers. All we are trying to do is use a parliamentary device which can be used by the government, if the government wants it to work; that is, to set up a committee which will really get the facts. And I submit that every member in this house should insist that we get those facts. The trouble is that the government, instead of facing the facts, is trying to make a little molehill out of a mountain. We are anxious simply to get—

Mr. Abbott: Well, I can't figure that one out.

Mr. Fulton: We will explain it later.

Mr. Drew: When, as he says, the Minister of Finance (Mr. Abbott) cannot figure it out, I am sure it is entirely consistent with his approach to public affairs in the House of Commons that he would not be able to do so.

Mr. Abbott: I think you have something there; I agree with you.

Mr. Drew: We have before us an amendment presented by the C.C.F. party. Mr. Speaker, that amendment to the amendment deals with the problem without specifically indicating the manner in which anything is to be done. The amendment moved by the hon. member for Cape Breton South (Mr. Gillis) and seconded by the hon. member for York South (Mr. Noseworthy) strikes out all the early words of the amendment moved by the hon. member for Vancouver-Quadra (Mr. Green) and substitutes therefor these words:

> the serious and mounting unemployment situation now facing this country calls for immediate action by the federal government to prevent further economic distress.

Mr. Speaker, it is apparent from some of the statements which have been made that views as to the manner in which immediate action should be taken may differ. But so far as this amendment to the amendment is concerned, I welcome this evidence that the C.C.F. party is now supporting us in the demand for immediate action that we have been making for the last two years.

We have introduced resolution after resolution calling for immediate action to bring about increased employment by reopening markets in Great Britain, the commonwealth and the sterling area. The government has been extremely dilatory in that respect; and the first evidence we received that they recognize the correctness of our position was a few days ago when the Minister of Fisheries (Mr. Sinclair) indicated that, in a limited measure, the government had exercised its good offices in the sale of some of the salmon pack to be disposed of this year to Great Britain.

We have been urging immediate action. Whatever doctrinaire point of view may have been expressed by any member of the C.C.F. party as to what immediate action is, we welcome any demand for such immediate action; therefore I have no hesitation in voting for the subamendment calling for immediate action.

But, Mr. Speaker, when that has been disposed of we will then have another amendment calling for an inquiry by a committee, to get the facts. I hope every member who has followed the varying figures presented to us by the government before this debate opened, and since it began, will join with us in asking that this useful mechanism of parliament be employed, so we may have a chance to find out what the facts actually are, and so short-term and long-term plans may be adopted without any delay, on the sound foundation of reality.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, in speaking on a problem of this kind I think we should not forget the fact that any time we have had unemployment in Canada it has been a symptom of serious trouble in the Canadian economy. One can scarcely blame the Canadian people for being concerned when they remember the experiences of unemployment periods which they have gone through in the past, at times when Canada was not on a wartime footing and not preparing for war. And even beyond the confines of Canada, turning to the international field, those who are aware of trends in the world today know that the enemies of western democracies are not all of a military character. They would like to see Canadians unemployed.

Today, as never before, therefore, unemployment is tragic. It is like a cancer, growing and feeding upon itself. And, like cancer, it must have two things, the first of which is an early diagnosis, and the second, effective treatment. It is because we believe the government thus far has neither made the diagnosis nor applied effective treatment that we urge parliament, and particularly the government, to realize the seriousness of the situation and take effective action.

Symptoms of the problem are apparent in every province of Canada. Anyone who read the speeches delivered in the debate on the speech from the throne could not help being struck by the similarity of the stories told by members coming from different parts of Canada. We heard from the fishermen of Newfoundland and the fishermen of the maritime provinces both east and west, as well as the agriculturists in New Brunswick. We heard about the unemployment among the pulp workers and the textile workers in Quebec and Ontario, and the implement and machinery workers in Ontario. From implement machinery in Ontario to the vast surpluses of farm products that existed in western Canada the story was the same. The same problem existed in the coal and lumber industries. From coast to coast there were signs of serious trouble.

These were indications that should have been noted earlier by the government and I believe should have been referred to with more emphasis in the speech from the throne. The government itself made sort of casual references that there were soft spots appearing here and there, and that there were some dollar shortages that were causing some concern to Canadian exporters. It is only because we see that today Canada is heading into something very serious that we urge the government to take immediate action, something more immediate and more effective than they have presented so far.

These are symptoms of real trouble. Worst of all is the fact that we are having difficulties with trade. It was reported in the press the other day that in talking to a group of unemployed from the farm machinery and implement industry the Acting Prime Minister (Mr. Howe) reminded them of the fact that they had helped to price themselves out of the market, and that their demands for increased wages were one of the main contributing causes. He ended by suggesting to these men that he saw very little hope for them in that industry at the present time, and that they had better seek work elsewhere. I wonder whether it occurred to the minister at that time that the demand for higher wages comes about because people find it difficult to buy the things they need for a decent living; because there is difficulty in buying food and clothing and paying high rentals. I think the cost of living was the main contributing factor, and it was because of these costs that the workers demanded higher wages.

It would have been a good thing for Canada if there had not been an increase in the cost of production and in the cost of living. Then Canadian goods could have gone into competition with those of other countries on the world markets. We in this party urged in this house five or six years ago that the line be held on the cost of living and that wages and prices be controlled so that Canadian commodities could continue to compete. Even the government will admit that the lifeblood of a nation is mainly its trade.

I was pleased this afternoon to hear the Leader of the Opposition (Mr. Drew) talk about the seriousness of this situation and see his awareness of the problem, also his warning to the government that what they did prior to the last trouble in Canada, when unemployment appeared, would not be sufficient this time. The fact is that apparently the government was not aware at that time of the seriousness of the situation. I am not going to say that I think the Conservative party presented a much better solution to the problem, because I can remember that the government of this country was turned out of office largely because of the unemployment issue. The people returned the Conservative party to power because the leader of that party at that time told the Canadian people that he would blast his way into the markets of the world.

An hon. Member: And he tried.

Mr. Castleden: And they tried, but you do not blast your way into markets; you put your goods down in competition with the commodities of other countries.

We have a particularly big problem in Canada today because we cannot get our goods in a position where they will compete with the high cost of living in the country. Drastic measures will have to be taken. The Canadian people in large measure have given this government their confidence. We urge that the government take action today to prevent further economic distress. Half a million unemployed are in desperate circumstances though not yet as desperate as they were in the late 1920's and 1930's. Thank heavens we have almost a billion dollars in unemployment insurance funds. But in the storm that appears to be coming to Canada that amount will be wiped out in a very short period of time if unemployment increases. You cannot get markets back in a month or two.

In the matter of trade we have a serious problem. The Canadian government should recognize the basic rights of the Canadian people. Canadian people should not be unemployed so long as there is in this land a need for food, clothing and housing. The rights of people who know how to work, manufacture and develop the resources of this

great land should be recognized. It is part of the basic rights of a human being today that he have the opportunity to work. I am going to remind this house again of article 23 of the declaration of human rights which was endorsed and adopted by the United Nations general assembly about five years ago. It reads:

(1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

(2) Everyone, without any discrimination, has the right to equal pay for equal work.

(3) Everyone who works has the right to just and favourable remuneration, ensuring for himself and his family an existence worthy of human dignity and supplemented, if necessary, by other means of social protection.

(4) Everyone has the right to form and to join trade unions for the protection of his interests.

Surely that declaration of right should be part of the rights of the Canadian people. Surely that is not too far off the definition of 1953 Liberalism. The hard fact remains that Canadian goods have been priced out of the world markets. The Canadian government had an opportunity to prevent this increase in the cost of Canadian goods by holding the line. They failed to do so. Canadian goods have to get into the position where they will be at a price level in the markets of the world which will make them competitive. Trade and foreign markets can be held.

The government in power in Canada today must accept its responsibility, and the Canadian people are looking to the government to solve this problem. They are responsible in the first place. Canada has to meet this challenge somehow. Import and export trade have to be restored if there is going to be any long-term solution to the problem facing us today, and that problem is not going to be overcome until we restore our trade. The mere fact that trade is being endangered and our goods cannot be sold is a sign that more trouble is brewing.

This I believe is the biggest problem that has faced this government in its whole term of office. Our economic industries must be maintained in production. It is only through continued employment, when the people are taking home pay envelopes, that you maintain prosperity. Only when the primary producers, the farmers, the fishermen, the coal miners and the lumbermen are working will there be prosperity in Canada.

This problem is going to require drastic action on the part of Canada. The fate of this government depends upon a solution—not only the fate of this government but that of the Canadian people, who today are looking to this parliament for action. If they do not get action not only will the government suffer, the Canadian people will suffer as well. The situation is so serious that I suggest the government ought to declare war on poverty, unemployment and want in Canada. I do not believe their proposal to undertake expenditures on public works will solve the problem, though it might be a temporary, partial palliative.

I would like to pay a compliment to the hon. member for Inverness-Richmond (Mr. MacEachen), who in a very scholarly speech the other evening presented some facts to the government, most of which concerned the public works program and were most significant. During his speech the hon. member referred to the expenditure of some $21 million on the building of the Canso causeway linking Cape Breton island with the mainland of Nova Scotia. He told us that this expenditure meant employment for only some 150 to 200 men.

It is surely a sign of progress that due to mechanization only about that number of men were required in the building of that causeway. Of course that is not the entire number of men who are employed there, because there are other jobs to be done in connection with the project such as the construction of machinery in factories, and so on. However, it does point to this very important fact, that $21 million in public works does not solve the problem of unemployment for a very large number of people. If the government were to attempt to create employment for about 520,000 people they would have to make an expenditure of about $67 billion in such projects.

As it is now, as soon as the causeway is completed there will be an additional 200 to 400 men unemployed. These men who are now earning a living because of the operations of the ferry at Port Hawkesbury will also be looking for work elsewhere.

A public works program is not enough. Basically we have got to get down to the question of trade, and we have to get back to that position where we can manufacture goods which will be exchanged for the goods of other countries, which will keep our construction projects and factories working. If this government will declare war on poverty, want and unemployment, they will find that the Canadian people will not permit the things which happen in a military war, such as cost plus contracts; and the people will be mighty watchful in regard to profiteering. The cost of living has to be lowered in this country in order to put Canadian goods in a comparable position with goods from other countries.

The immediate program will have to be one which will take regard of the position

of the 500,000 people who are today unemployed, and something more will have to be done for these people than is being done now. We will have to have something more to say to them than, "Well, you had better go and look elsewhere for work." These people have established homes in their own little corners. In any community which is built around one industry these are mostly people who have gone into home building under government housing. It is not going to be very much of an encouragement to those who want to buy houses if they feel their plant may be closed down and they may be informed, "You had better look somewhere else for work." That will not encourage housing in Canada.

There should be established in Canada that type of government which will say to the old and disabled who cannot work, "There shall be assistance," and to every person who is willing and able to work, "There is a job for you." I do not believe we should be responsible for those who are able yet unwilling to work. But for those who are able and willing to work the Canadian people should be able to say that there is employment.

If we are to do this we shall have to do it now, because even a year from now the problem will have grown like a rolling snowball, to such an extent that it will be almost impossible for any government to deal with it. We have to gear Canadian production into a program which will provide gainful and useful employment for Canada's people and supply commodities that will meet competition in the world markets. That is the biggest order ever thrown to the government. I do not know whether they will be able to meet the challenge.

I believe that at the present time the Canadian people are willing to work. They are willing to go where there is work. I would say to the government that the Canadian people know we live in a land where there is an abundance of goods. We know the Canadian people are all trained or can be trained in the know-how. They will not stand very long for any administration which will permit unemployment and want.

The experience of the Canadian people with provincial and federal governments in the past has not been happy. There has been a change in my own province, the province of Saskatchewan. We lived and worked with the people who went through those sad days of unemployment and want in the west. So tightly were the government's hands bound during that period women and children hungered for bread in a land where the elevators were bursting with wheat. I want to emphasize that so long as the present government in Saskatchewan remains in power there will be no hunger while elevators are filled with wheat.

If this government solves the problem that faces it this time, it will gain the confidence and respect of the Canadian people. If it does not it will be replaced by a government which will. But it will be a sad day for the Canadian people if they do not meet and overcome the present situation.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I do not believe I can be charged with monopolizing the time of this house; therefore I feel I am not imposing on hon. members by rising to take part in this debate.

Recently we have been discussing, and rightly so, some of the responsibilities we have to the people of other nations. Our world, which used to be so vast, has now seemingly become comparatively small. Those individuals who used to be so far away from us are now actually our next door neighbours. I recognize the fact that we have a responsibility to them and that we must discharge that responsibility.

However, since we have been debating these particular problems it has seemed to me that we must come to the point where we give serious attention to the problem that confronts us now right here in our own country. We are considering a problem of a very serious nature which faces us at the present time. It may be that some of us will try to justify the fact that a considerable percentage of the unemployment existing at the present time is more or less seasonal. We may try to delude ourselves into believing that the situation is not as serious as some may think. But I would suggest, Mr. Speaker, that it is a serious proposition when there is one man who is unable to find employment and thereby meet the needs of himself and his family. It would be a serious matter if I were that individual. But when we multiply that by hundreds of thousands it seems to me that it becomes not only a serious matter but a tragic one. Those who are charged with the responsibility of giving leadership in government to the great Canadian people should set themselves to search out the causes of the problem and apply themselves to the task of finding a solution.

We have been listening to a great many figures. Personally I do not know which are right. I do not know whether anyone else knows, either. We have had figures given by the bureau of statistics. We have had some presented to us by the national employment service. The leaders in the field of labour

have given us their opinion concerning unemployment figures. We have had some from the Minister of Labour. Then, as they have taken part in the debate, various hon. members have given their particular interpretations.

I personally am not too greatly concerned as to whether the figure is 100,000, 300,000 or 500,000. It seems to me the thing that does and should concern us is the trend that is evidenced and the pattern of developments that is taking place in the Canadian economy. We find that the problem does present itself. I have here a clipping taken from the *Globe and Mail* headed "338,066 Seeking Work, Peak Since Wartime"; another one, "See 400,000 Drawing Jobless Benefits Soon"; "Lay Off 565 in Windsor"; "Say Unemployed Total 500,000" and so on. No matter which figures we take, it would seem to be evident that the problem exists and is here presented to us.

Moreover, we find the problem affects not only one particular industry but many. The parliamentary assistant to the Minister of Defence Production said that individual members have not presented figures substantiating the unemployment figures in their particular riding. I do not think that is absolutely necessary. If we are thinking just of our own particular ridings that criticism may be justified. But it would seem to me that we are facing a national problem. It therefore seems to me that we should take a look at the national picture. So, I am concerned not just about those who are idle in my particular riding of Fraser Valley; I am concerned about the fact that right across Canada men are out of work and are unable to obtain the necessities of life.

I have here a clipping from the *Financial Times* of February 12 headed, "Figures Show Another Bad Year Canadian Cotton Mills in 1953". We have been reminded about the delegation that waited upon the Acting Prime Minister (Mr. Howe) representing the laid-off implement workers. I have here another clipping from the *Globe and Mail* of February 12 headed, "Lay-off of 1,500 by C.N.R. Laid to Traffic Drop". I have other quotations with respect to the textile industry and so on. I mention these to show that it is not just one particular industry that is affected but workers in every section of our country.

Mr. Stuart Armour, economic adviser to the president of the Steel Company of Canada, speaking to the Kiwanis club of Hamilton on Tuesday, January 26, 1954, said this:

> What, then, is the labour situation with which we Canadians are confronted today; and what are the economic implications of that situation? The situation appears at this juncture to be somewhat obscure. On the one hand, the top brass of the organized labour movement in Canada apparently foresees a gloomier 1954 than do most business and government economists. On the other hand, some important labour unions, ignoring the warnings of their national presidents, appear to be framing demands which could only be acceptable if business was to be at a far higher level this year than in 1953.

And he referred to the words of Mr. Bengough:

> . . . unemployment and underemployment are already serious in some industries and are on the increase throughout the whole of Canada.

Mr. Speaker, it seems to me the picture is presented to us, and we must face the fact that in Canada today there is a serious unemployment situation. To refer again to the speech made by the parliamentary assistant to the Minister of Defence Production, he spoke of the danger of overemphasizing the problem because it may aggravate the situation. In other words it would seem as though we would say to the man who is hungry, "Do not tell anybody else about it, do not speak about it, because you might cause further discontent and further distress". Then the parliamentary assistant went on to say that he had listened in vain to the speeches from the opposition side for any suggestion of solutions to the problem.

I am a new member in the House of Commons, Mr. Speaker, or at least I was last fall. I may be misjudging the present government. Perhaps I am doing so. But so far I have not been able to see any inclination on their part to accept any suggestion from this side. Were anyone to get up and present a concrete proposal, I should just like to ask if it would be accepted and put into operation by the present government.

Mr. Howe (Port Arthur): Let us hear it anyway.

Mr. Patterson: I think possibly this is a problem for the government to take under advisement and solve. As I have said, I cannot see where they have been prone to accept any suggestions from anyone on this side of the house up to the present time.

Mr. Studer: Make a good one.

Mr. Patterson: I realize, Mr. Speaker, that we should not become hysterical over the situation that faces us. But when we have reference made to soup kitchens being established—and some members have made that reference—in order to meet emergencies, it reminds us of those years not so very long ago. I do not believe any one of us wants to see a repetition of those years, even members on the government side. We do not want to see a repetition of those past days.

During some of those years at least I was in the grocery business. I remember mothers and fathers bringing in and placing on the counter a slip of paper authorizing us to give them $2 or $3 worth of groceries for the week. I well remember how often the clerks, when we were discussing the matter among ourselves, mentioned the fact that it was a serious situation when such conditions prevailed. Instead of asking for butter, or even for margarine, they would put down one or two pounds of beef dripping, which was to be spread on the bread for the children's lunches.

The problem exists right at the present time, and I was glad to hear the parliamentary assistant to the Minister of Defence Production (Mr. Dickey) at least acknowledge that fact. We have been discussing it from the viewpoint of its effect on the economic structure of our country, but I suggest that there is an even greater effect upon the life, character and morale of the people of Canada when they are subjected to such conditions. The problem exists, and we may as well face it; we may as well acknowledge it.

I believe we must look at it from two aspects. First of all there must be some immediate alleviation of the condition. A few days ago I received a letter from a section of my riding with respect to a young man who is unemployed at the present time. He had been working, but because of his domestic situation and marital problems—I guess he is not the only one with those, though I am not saying that I have any—

Mr. Argue: We are all employed that way.

Mr. Patterson: —and because of the fact that he had to attend to business in connection with his V.L.A. holding, he had to leave his place of employment and return to that holding. Weeks went by, months went by. He made application for unemployment insurance, but he has not received it and apparently cannot. I have already written asking for a report on the case, but have not received one yet. According to the letter this young man has had to dispose of some of his furnishings in order to meet his expenses.

I suggest, Mr. Speaker, that we must find a solution for the problem immediately. Not only must we do that; we must also, it seems to me, lay down long-range policies to eliminate the possibility of a return to such conditions in the future. It has been said that where there is no vision the people perish. I suppose we had a pretty fair example of that in the 1930's. It would seem that there has not been any fundamental change in our approach to the economic problems that confront us, and we can only conclude that history is going to repeat itself and such conditions are going to return.

I think the following cycle is worthy of consideration. It has been said that periodic lack of purchasing power results in a lack of markets for goods produced, which causes unemployment. This brings on a depression from which international frictions arise leading to war, which inevitably causes increased borrowing, debt and inflation, and to meet these things pyramiding taxation is necessary. Then there is peace, and later a recurrence of the cycle. This has been the history of the past and, as I have already said, in spite of the fond hopes we may cherish, in spite of glib prophecies and statements to the contrary, I am afraid that history is going to repeat itself unless the government takes the steps necessary to solve the problem and see to it that adequate purchasing power is placed in the hands of the people to enable them to buy the products of factories and farms and in order to contribute to further production of the essentials of life.

The situation is there; the problem exists. I submit that something should be done immediately, and that long-term policies should be laid down in order to forestall a recurrence of these unsatisfactory conditions.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I have no hesitation whatever in taking part in this debate, although I had not intended to do so until today. The other day the Leader of the Opposition (Mr. Drew) was good enough to tell the house that he and I were very old friends. He recalled our days at university, our days of war service, and used an expression which I will use now—this is where I came in. My memory is long enough to remember the great stock market crash of 1929 and the great depression from 1930 to 1935.

Some hon. Members: Oh, oh.

Mr. MacInnis: 1939 and 1940.

Mr. Philpott: Let me say that if my hon. friends opposite who moved the subamendment thought there was any chance whatever that the government would be overthrown and a Conservative government take its place they would be in a terrific state of panic. Instead of all the trade unions which support them sending a delegation to see the government they would be sending a delegation here to tell them to pipe down, because the people of this country remember very well what happened in the 1930's. I had the honour to run for parliament first in the constituency of Hamilton West, now so gracefully represented by the hon. lady opposite.

That was in the year 1931, when there was a Conservative government in Ontario and a Conservative government in this house.

At that time I was considered to be a great radical or red, if you please. Why? Because I was running on the terrifically radical program of a 44-hour week and, worse still, unemployment insurance. When we look back at the history of the past 20 or 23 years we can chalk up some assets and liabilities to every government we have had during that time. I am not one who indiscriminately criticizes the late Lord Bennett or any other prime minister we have ever had, because I think they did their best according to their ability. Nor would I be one who would be so ill-advised as to suggest that the Conservatives were entirely responsible for the depression of the 1930's.

As a matter of fact I have never held that view in my life and do not hold it now. I think there is a lot in this theory of the stars, astrology or whatever it may be. I do not know whether the Conservatives turn up before a depression or whether the depression turns up before the Conservatives, but you find they arrive at almost the same time in this country. Perhaps it is because the United States conservatives arrive just a little while before the Canadian Conservatives do. Our Conservatives on this side of the line are always one or two steps behind.

If we were to go back into history, it might be worth while to recall that one reason we had the great stock crash in 1929 and the depression of the thirties was the unwise and reactionary policies chiefly put in by a Conservative administration in the United States. If we were writing a brief outline of the history of this country for the past 20 or 25 years, one thing that would be unchallengeable would be the important position of labour or the increased recognition of labour in this country. I venture to say that whatever sins of omission or commission can be charged against this government, one thing that is to their eternal credit is that labour has won a position of respect in Canada which it never had before. This administration is not perfect and never has been perfect, but it happens to be the best government we have had in Canada during my lifetime, and I am pretty old.

I am not now talking only of the things for which Liberals fought for many years before they came in, and which Liberals enacted, such as unemployment insurance, family allowances, old age pensions and the long list of items which go to make up what is now called the welfare state. These things have changed the whole economic picture in this country. I, for one, am not afraid of the gibe or the criticism of some people who might call us on this side "silk hat socialists", especially if "silk hat socialist" means the welfare state without regimentation. If that is so, then I think this government and this party should be very proud of their record.

No one can deny that the status of organized labour in this country has improved under a Liberal administration. Ordinarily the hon. member for Kootenay East (Mr. Byrne) sits to my right. I will tell you about the first time I went to the riding of the hon. member for Kootenay East. It was in the dark days of that depression when we had another type of administration in this country. I went to give a lecture in the riding he now represents. On the night I arrived in town to give the lecture the representative of a trade union arrived to try to organize a union in that great industrial city. He arrived in a car, and 15 minutes after he got out of it his car was allowed to roll over the hill. That man was out of town almost before you could say "Jack Robinson", because in those days it was almost as much as your life was worth to try to organize a trade union in this great and free Dominion of Canada. Things are different now, Mr. Speaker, because we have, and have had for many years past, a Liberal administration that really believes in the rights of labour.

I did not intend to take any part in this debate if it simply settled down into a purely "if" question, such as the degree of unemployment we have now. Make no mistake, there is no one in this whole Dominion of Canada, and certainly no one in this House of Commons whom I have encountered yet, who does not treat with the utmost gravity the degree of unemployment there is in Canada now. It is a very grave thing, and it is of the deepest concern to this party and to this government. I submit that on its own record this government deserves the continued confidence of this house and the continued confidence of the Canadian people because of the things it has done, and its treatment of the unemployment problem is one of them.

During the debate the last few days, for instance, we have had a most loose, careless statement and misuse of facts. We have heard the numbers of unemployed quoted as varying from 200,000 to 300,000, if you please, completely ignoring the fact that according to the government's own official statement there are 280,000 registered unemployed in Canada

today. This, of course, is very serious because it represents an increase of 93,000 over the same period in the previous year.

As the Acting Prime Minister so clearly pointed out the other night, on its own record this government is entitled to carry on its present policy, which is to wait and see what the world situation is with which we are faced. Is this purely another seasonal upset such as we had in 1950, when in the same period, January, we had 300,000 registered unemployed? By June 1, 1950, the number had been cut down to 139,000 or by something like 66 per cent. I thought the hon. member for Red Deer (Mr. Shaw) was most unfair and inaccurate last night in suggesting that Canada had only been pulled out of the unemployment situation that existed in 1950 because of the Korean war. As you will notice, those figures were for June 1. In other words, the number was down to 139,000 almost a month before the Korean war broke out.

I submit, Mr. Speaker, that on its record; its long record of the most statesmanlike regard for the legitimate rights of labour; its record of having encouraged the legitimate operation and recognition of trade unions, this government is worthy of our confidence and our support. This afternoon the Leader of the Opposition referred to what he heard on the radio this morning, that President Eisenhower had appointed a commission to study unemployment because there were now 3 million registered unemployed in the United States. I would point out to you, Mr. Speaker, that this administration appointed that same kind of commission, not this year but in the year 1944-45. All the basic thinking was done then which will enable us, if the need ever arises, to grapple with a really major world dislocation which would require drastic measures on the part of this particular government.

I think members of this house are well aware—I hope they are, anyway—that for well over 20 or 25 years I have stood for the right of full employment. If a country like Canada can send her sons to fight in a world war, if she can say to her sons that it is their duty to go out and die if necessary in times of war because the interests of the country are at stake, then I believe it is the right of every Canadian to say to that country in a time of peace, "I demand my right to earn my living under our system of society." There is nothing whatever in the record of this government that would allow any member in the house even to imagine that, if the need ever arose for really serious and drastic measures on the part of the government, this would not be the best government we could get to face the situation.

I sometimes think that Canadians have not a good enough opinion of themselves. I often think of the difference between going to a Canadian moving picture theatre and one in the United States. When one visits a United States theatre and sees the picture of the president flashed on the screen, everyone in the theatre applauds. Then I think of those many occasions in my lifetime when I have gone to theatres in Canada, and only once in all that time have I ever seen a Canadian audience applaud when the picture of a Canadian prime minister has been shown.

We do not think highly enough of our leaders. Perhaps we do not have a high enough esteem of our own achievements. And I say to my hon. friends that there is not a single one of those sitting immediately opposite who is not well aware that the record of this Liberal administration is the finest in the entire world in dealing with the problem we are now talking about. We know perfectly well that when the nations met at San Francisco in 1945 to frame that document which came to be known as the charter of the United Nations, the Canadian delegation upon arrival in that city pointed to a great weakness in the charter, showing that it was inadequate on the economic side. All the delegates at that assembly—and I think at that time there was something like 48 national delegations—paid Canada a tremendous tribute by asking the Canadian delegation to write an entire section on economic affairs. Our delegation did this; and any hon. member who will reread the charter will see that one of the sections inserted by the Canadian delegation, representative not only of this government but of members on the other side of the house, placed at the top of the list the subject of full employment.

When we talk about full employment perhaps we are not discussing it in 100 per cent terms as did the hon. member for Fraser Valley (Mr. Patterson), who suggested, and quite rightly, that if there is even one unemployed man in Canada, it is a misfortune for that man. Of course it is. But let us not become confused between what is a personal misfortune and what is of major national concern. In my opinion this government has every right to carry out now exactly the same policy it did in 1950; that is to wait and get the true facts of what we are faced with in the world situation today. If and when the true facts disclose that the situation is serious, one of major capacity, then I for one would want to sit behind no more competent team than that represented by the Acting Prime Minister (Mr. Howe) on the front benches today.

I think no finer tribute could have been paid to this side of the house than that at the close of the speech delivered last night by the hon. member for Vancouver East (Mr. Winch), my old and good friend. He told of how, when working on one of the projects on which the present Acting Prime Minister had been the consulting engineer, following the building of a great many excellent elevators, something had gone slightly wrong with the result that some of the workers had to scramble for their lives. And then he told us —and the whole point of his story was in the last couple of paragraphs—that when the emergency came to the fore the engineers did not tackle the emergency as people less expert would have done, but chose to wait to get the facts and then took the necessary steps. The result was that the elevator was stronger than it would have been in the beginning.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, the vigour of these discussions on the amendments, even though at times they are heated, indicates that there are a great many members in all parts of the house who have a genuine sympathy for those unfortunate persons who now find themselves unemployed. I am sure the sentiments expressed by those who have taken part in the debate are shared by all hon. members, and I think it is a good thing that from time to time members in this chamber should have an opportunity to express their concern over the less fortunate in our community.

The expressions of sympathy and good will, however, will hardly be enough to remedy the problem of unemployment. It was for that reason the hon. member for Vancouver-Quadra moved the amendment to have the whole matter further studied. In times of uncertainty like the present we are all inclined to accept reports that appear to support those things we are most anxious to believe and, conversely, we tend to minimize those factors pointing in the opposite direction.

I am prepared to accept the statement that the present unemployment is very largely, in the main, seasonal; and I intend to devote my remarks to the causes, as I see them, of that seasonal unemployment. I shall offer one or two suggestions as to how something may be done to remedy the situation. Perhaps it might not be done at the moment, because if helpful action is to be taken it will have to be done at once; and the government surely should have had plans to deal with any immediate action required.

Unemployment is seasonal and recurring. I think we should examine why this seasonal unemployment recurs year after year. This phenomenon should be studied; and I can think of no better study which the committee on industrial relations could undertake than into the reasons behind seasonal unemployment.

The fact that in Canada under normal conditions there is always seasonal unemployment has been obscured in recent years by the conditions which have existed during those years; because since 1950 our economy has been supported by war expenditures, and industrial and agricultural production has been extremely high. There has been relatively little unemployment. When men, owing to changes in the seasons, have become unemployed they have had opportunities of engaging in temporary work of another nature in the off-season period.

But we are told the peak has been reached, and it is obvious why that is so. The armistice in Korea has brought about a lessening in the urgency of producing equipment for that theatre. The build-up in the forces of NATO to prevent aggression has eased the general situation so far as defence production is concerned. There is still a great number of men working at the present time, but unemployment figures are apparently increasing. This seasonal unemployment therefore is becoming noticeable.

This seasonal unemployment in those industries which are important in my constituency, namely logging and fishing, is brought about partly by excellent government regulations for the conservation of our forests and our fisheries. But the fact that government regulations of necessity have had to be introduced in order to ensure perpetual yield and that the forests are not cut down in a comparatively short time, and international regulations to conserve our fishing industries, have forced those men who are employed in those industries to work at selective seasons of the year. At other seasons of the year, partly on account of the conservation methods, partly on account of climate, partly on account of the movement of fish, the men find that they cannot have full employment. It seems to me that when this committee is considering the matter, consideration should be given to measures which could be introduced to offset seasonal unemployment.

Take for instance the forest industries of British Columbia. The cut is restricted in order to maintain the yield. As the Acting Prime Minister said a couple of days ago, modern methods such as the power saw, the bulldozer, heavy trucks and so forth have made it possible to cut down that number of trees which may be felled during any one

season in a much shorter time than was necessary a few years ago. Therefore we find that the camps are actually closed down.

The seasons of the year vary in different parts of the country. On Vancouver island the camps are closed down now because on the hills and mountains there is a heavy fall of snow. They will be opened again in the spring, only to be closed down in the summer when the fire hazard is high; but during the period the camps are open no great difficulty is presented in cutting sufficient logs, which can be sent down to the ocean and boomed and held ready for the mills, to maintain reasonably steady employment in the mills the season round. It is true, as the Acting Prime Minister says, that many of the men who are employed in the woods return to their homes. They have their small farms, and they are able to find some other employment during the seasons when the camps are closed.

But I should like to call attention to this fact—and it is a fact, as I know from personal experience—that it is the senior men who have those homes and who are able to find other employment. The youngster who has just gone into the woods, the young unmarried man, has not established that security which the older men have had. His wages in the woods are not as high as the experienced man's, and he has not had the opportunity to build up reserves of unemployment insurance. So frequently when the camps are shut down he finds that he is in very difficult circumstances. I do feel that special attention should be paid to these younger men who are working in the forest industries. Those are young lives that should be saved and not soured by being forced to move into queues for assistance at soup kitchens and so forth.

Then, when we come to the question of fish, conservation limits the catch. Nobody is going to quarrel with that. It is absolutely essential that there should be restrictions on the amount of British Columbia salmon which may be caught. These restrictions are the result of extensive international agreements. With them we have improvements in the equipment which the fisherman now has, equipment which in some instances helps to locate the shoals of fish, bigger vessels, and so on. When he spoke in Vancouver not very long ago the Minister of Fisheries (Mr. Sinclair) said, as reported in the press, that the day of the small gill netter was over. That may be correct or not, but the trend is certainly to lead the industry into bigger vessels and better equipment than have been utilized before. Up to the present the gill netter has accounted for about two-thirds of the men engaged in the salmon fishing industry.

Fishermen do not draw any unemployment insurance. That is owing very largely to the fact that their occupation is seasonal. If you were to pay them unemployment insurance for those seasons when they were not working it would be in the nature of a subsidy to that particular industry. Whether in the future something could be worked out to provide some special form of unemployment insurance for seasonal workers such as fishermen, I do not know; but I offer that as a possible suggestion to assist in unemployment in those particular industries.

I wish to say a word regarding the services. Men are now coming back from overseas, time-expired. They may have served their three years in the army or five years, we shall say, in the navy. Press reports of the last few days indicated that two battalions will be coming back from Korea very shortly. Approximately 50 per cent of the time-expired men take their discharge. They have done their period of service. Some feel that they would like to take on army service as a permanent career. Others feel that they have done their duty by serving for the period of their contract, and they take their discharge.

I should like to throw out the suggestion that some arrangement should be made whereby men are not released during these periods when there is the greatest seasonal unemployment. It seems to me it would not be very difficult for the services to provide some system of, shall we say, vocational training, to tide over that period when a man upon release will go out only to find that owing to this seasonal unemployment there is no prospect of finding a job.

I remember in pre-war days there were schemes under which during the last six months of their army service men were conditioned prior to re-entering civilian life. I am not at all certain that if discharges were to take place at times when there was considerable unemployment, would it not be well worth while considering some such scheme whereby men may be held in the services a little longer and be conditioned, while still in the armed services, to take their place in civilian life?

As far as the present situation is concerned, I feel it is too late for any immediate action to be taken. Despite the snowstorms at Ottawa, spring is just around the corner. Terrible as it may be to tell a man who is unemployed that he must still wait a few more weeks, at the same time there is some hope because snow melts on the hills and the camps will be opened up again. Unless the government has some steps in mind which will bring immediate relief to the present

unemployment situation, then I fear it is too late. But I shall be really disappointed in my hon. friend the Minister of Labour (Mr. Gregg), who I know was an excellent soldier, if he has not thought far enough ahead to have some plans ready in case there is an extension of the emergency which is now upon us in a mild form. I believe the government should have available some schemes for the immediate future to cope with the situation as it exists today.

When I commenced speaking I stressed the point, and I repeat that this is a recurring problem of seasonal unemployment. That being the case, should we not now start to consider what steps can be taken in order to meet that unemployment which is inevitable next winter? There will be some unemployment during the summer season, when the camps have to close down on account of the fire hazard, but usually that period of unemployment adjusts itself. But next winter there is no doubt we shall be faced with this same problem of seasonal unemployment again.

Earlier this session I called attention to the fact that there was a shortage of reserves for our armed forces. In my speech last December I quoted at some length statements made by General Gruenther, supreme commander of NATO forces. I am not going to repeat his statements again except to quote a few lines from a speech made by General Gruenther at Copenhagen, when he was addressing United Nations commanders. He said:

> The creation of adequate reserve forces means that a large proportion of NATO manpower will have to devote a considerable time each year to reserve training. That is inconvenient for the individual concerned and of course it tends to create economic strains.

It is inconvenient to the individual concerned if he has to do his reserve army or naval training at a time when he is fully employed, but it is not such a great inconvenience to him if his reserve training can take place at a time when he is not employed, owing to the seasonal nature of his employment.

I think it would be worth while exploring that situation. Canada, as a member of the North Atlantic Treaty Organization, has, as part of her military objectives, the provision of reserves. This is not the place to emphasize the importance of these reserve forces, as that will be done in other debates; and indeed the Minister of National Defence (Mr. Claxton) and others have repeatedly emphasized it. In fact so concerned was the minister that last summer a committee of three distinguished ex-officers was appointed to consider how best they could build up the reserve forces of this country.

Proposed Committee on Unemployment

I would suggest that those men who are periodically laid off because of the seasonal nature of their employment, and who have not become established with the security of their own homes to which they can go when unemployed, might be provided with army and navy training at that time.

Take the fishing industry, for example. Might it not be worth while considering the reorganization and revitalizing of the fishermen's reserve of the navy, which used to provide opportunities for fishermen, during the off-season, to take their training with naval vessels at various stations on the Atlantic and Pacific coasts? I presume that something along the same lines existed on the Atlantic coast, where there is also seasonal unemployment. When this fishermen's reserve was active in pre-war days the fishermen, because of their familiarity with the sea, were excused certain elementary training which was given the usual reservists for the navy, and those fishermen were permitted to complete their courses in the various trades.

Today there are many more trades than there used to be, and these men have found that the instruction they received there not only qualified them as naval reserves, but also helped them become more efficient in their own particular trades. I would suggest that the extension of reserve naval training for fishermen is a line which might well be investigated by the Minister of Labour or by the committee on industrial relations when they consider this question of seasonal unemployment.

The same sort of thing applies with regard to young men who are employed in the logging camps. On several occasions in the past I have suggested that, in order to build up the reserve forces of this country, we should not insist too much upon those who are prepared to take military training having to join definite units of the reserve army. I feel that we should take advantage of the system of training which was developed during the war in the basic training camps. If we could take that as a model and take advantage of our experience in pre-war days, when schools were conducted throughout the country during the winter time; if we could also gain such information as is available, with regard to citizen training camps which were in existence in the United States in the period between the first and the second wars, there is a possibility of instituting some form of citizen training camps located at convenient places, with courses conducted at times of seasonal unemployment.

Proposed Committee on Unemployment

I definitely suggest that those men who volunteer to take that sort of training should naturally receive the same pay as the men in the reserve army. There should be no question of men not getting adequate pay. The pay of the reserve army and that of the regular forces is the same.

As I said, I have mentioned this idea to several people from time to time. I was rather surprised to find an editorial appearing in the *Cowichan Leader*, a weekly paper whose circulation is almost entirely in the forest area of the Cowichan valley. There are probably more lumber camps there than anywhere else in British Columbia. This editorial, which is dated February 4 of this year, is written with regard to two letters which correspondents had sent to the paper. It starts off in this way:

> Two readers have this week contributed excellent ideas, both of which contain the seeds of progress for sowing in widely-separated fields.

There is no need for me to discuss the first question because it is not pertinent to this debate. The editorial continues:

> The second idea comes from Caycuse camp, Cowichan lake, and like the first, is probably borne of the lengthy period of enforced idleness for loggers and camp staffs generally.

Then it goes on to say this:

> Our correspondent suggests a system of reserve army training during the lay-off period.

This is a suggestion coming from a correspondent in a lumber camp. The editorial continues:

> "Because of the type of work the men are accustomed to—falling, bucking, road and bridge construction, operating heavy machinery and vehicles—they would be best suited as Royal Canadian Engineer reserves," he writes.

The editorial continues:

> He lays down several conditions for his plan. The defence department would send instructors to the camps. The course of lectures would have to be attractive enough to hold the single men in the camps. The pay for attending the course would have to exceed unemployment insurance benefits. Arrangements would be made to use company bunkhouses and cookhouses.
>
> At present there are reported to be some 15,000 men idle on Vancouver island alone, the great majority owing to the heavy snow.

That is snow in the hills which prevented logging operations.

> There is thus certainly a golden opportunity for instruction of some kind to be given to many of these men.

I just throw out that suggestion along with others I have made in these remarks. May I repeat them. I suggest that great care should be exercised in the releasing of men from the regular forces at a time when there is considerable unemployment. If possible, steps should be taken to see that large numbers of men—and several hundreds are being discharged every month; in fact I think I would be safe in saying that the number runs into thousands in some months—are not discharged from the forces at such a time. When I refer to men being discharged from the forces, I refer not to men being thrown out but to men who go out voluntarily, men who have served their time and who voluntarily go out. That is my first suggestion.

My second suggestion is that consideration be given to providing some special form of unemployment insurance for fishermen, something which cannot be considered as a subsidy to these fishermen but which will take care of seasonal unemployment which is forced upon them owing to conservation measures.

My third suggestion is that consideration should be given to the possibility of reviving a fishermen's reserve in the Royal Canadian Navy, or some other form of reserve training which would appeal to the fishermen.

My fourth suggestion is that consideration should be given to providing these young men from the logging camps with an opportunity to do some military service which would be useful to them in their own profession and would also assist to build up the reserves which, if required, will need men who are well trained. There will be little time for the training of these men if we are ever faced with another war. They will be urgently required to back up our active forces. I suggest that an opportunity for that training should be given them without too much emphasis being placed upon the necessity for joining units of the reserve forces. I have made these suggestions because it is my opinion that this situation may develop and become extremely grave. I am concerned for the welfare of our young Canadians who may find themselves out of jobs. I feel that this question of trying to find a solution for the unemployment problem is one that transcends party considerations.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I am very happy that we have had this opportunity to fully discuss this matter of unemployment. First of all, I am happy because it has led to a good discussion and to the smoking out, if we might call it that, of the intentions of the government if and when Canada should be faced with a period of unemployment.

As many of us have suspected for many years now, the government has no plan. It has consistently informed the people they can rest assured that when the time comes for action they will not be disappointed because they placed their confidence in the Liberal party. I think it has been made very clear over the past two days that the

people will be let down by the Liberal party in respect to unemployment in 1954 just as much as they were let down by the same party in 1929 and 1930.

I was very interested in a statement made by the hon. member for Vancouver South (Mr. Philpott). He referred to the Liberal government having plans with respect to the unemployed or the underprivileged of the nation. I am not sure just what he did say, but I know he said that their record was the finest in the world.

Some hon. Members: Hear, hear.

Mr. Regier: That statement can definitely be challenged. I think we have very slowly begun to adopt the lessons that have been taught us by the northern European nations in the matter of unemployment and social security. In fact I am not even sure that we have a finer record than our good neighbour to the south of us. I have reason to believe that our record compared with theirs leaves very much to be desired.

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

Mr. Regier: Yes, certainly.

Mr. Philpott: Surely the hon. member is aware that our neighbours to the south of us have no family allowances and no old age security without a means test.

Mr. Regier: If the hon. member for Vancouver South will look at the payments to old people south of the border I think he will find that they are much larger than ours, and that these larger payments were made at an earlier date. I am also not sure that it is so very sound to eliminate the means test, from the point of view of helping those who need help. I admit that it may be a good policy to eliminate the means test, but not so far as helping those who need help is concerned.

The statement was also made that the speaker was quite content to allow the government to wait to get the true facts. I can remember a prime minister of Canada speaking over the radio a number of times when I was a young man and was very much concerned about the matter of employment. He was always referring to this thing called prosperity around the corner. I used to wonder in what kind of merry circle he was leading us, and what kind of round corner it was.

When I hear repeated statements that with the warm sunshine everything will be all right, I begin to wonder how that is going to put food on the dinner table for the people of Canada now. I come from a riding that is especially vulnerable to unemployment. On either side are the two large industrial cities of British Columbia, and whenever these industries have reason to shut their doors the people in the municipalities in my riding are affected immediately. I should like to point out particularly at this time that if we should again have a period of unemployment I hope more definite help will be forthcoming to those who are charged with the responsibility of municipal government. When you have a municipality where 90 per cent of the people are wage earners and those people are unemployed and cannot pay their taxes, the municipality is faced with sometimes insurmountable difficulties. I hope something will be done to make sure that municipalities will not be again placed in the position in which many of them found themselves during the period of the hungry thirties.

I noticed also that a considerable attempt was made to justify the government's attitude towards unemployment by referring to so-called labour leaders supporting the government. I am going to leave unsaid the things the working people of Canada would say to former writers of labour's charter of human rights and to labour leaders who never belonged, but pretended to belong, to labour's organized political party and who are now actively supporting the government.

I had thought, and I believe most Canadian people thought, that since 1929 we had arrived at a period in Canadian history when the government of Canada had assumed a great measure of responsibility with respect to unemployment. The attitude now seems to be reversed. It would seem that the government does not assume responsibility for unemployment. In fact I think a statement made on another subject can be aptly applied here, namely that the government has no views on unemployment.

I know the people of Canada returned the government at the last election, and that they have a big majority in the house. However, I should like to remind them that the high and mighty attitude that has been so evident on their part during the past week or so, the attitude that they can do what they like in the house, has led to the downfall of many a government in Canadian history, and may well wipe out the fortunes of the Liberal party in Canada once and for all at the next election.

On motion of Mr. Regier the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall consider second reading of the bill to amend the Members of Parliament Retiring Allowances Act, then the resolution with respect to the Export Credits Insurance Act, then the fisheries bill, then the Telegraphs Act, then the national battlefields at Quebec bill, and then the Animal Contagious Diseases Act amendments.

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

END OF VOLUME II